

## SECTION 10: MOVING EXPENSES

- A. A newly established domicile will be considered to be a "new domicile" for a period of twelve (12) consecutive months. Flight crews transferred during such period will be considered as transferred at Company request and their moving expenses will be paid by the Company per Section 10.E.
1. If the number of vacancies for a given seat/base is equal to or greater than seven percent (7%) of the current number of pilots in that seat/base, then it will be considered a "newly established domicile" for purposes of this Section.
  2. If the number of vacancies for a given seat/base is equal to or greater than fifteen percent (15%) of the current number of pilots in that seat/base, in a three (3) month period then it will be considered a "newly established domicile" for purposes of this Section.
- B. Pilots who are recalled from furlough into a base other than their last assigned base will be moved at Company expense, per Section 10.E.
- C. Pilots that have been involuntarily displaced will be eligible for either:
1. One (1) paid move from the domicile from which he was displaced. Should a pilot be displaced multiple times within twelve (12) months, and prior to electing to move from the domicile from which he was originally displaced, the pilot will be eligible for a move from the original displacement domicile if the pilot has not elected to take temporary living expenses as defined below in the new domicile where he has elected to move;
  - or
  2. In lieu of a Company-paid move, a pilot who has been involuntarily displaced will be eligible for Company reimbursement of hotel accommodations up to one (1) night per number of pairings in his original line. The pilot will secure his accommodations. Upon submission of the receipt to the base coordinator, the pilot will be reimbursed for actual room costs not to exceed eighty-five dollars (\$85.00). A displaced pilot will be eligible for reimbursement for a period of up to three (3) months. These rules will also apply to Reserve pilots with the following exception: A Reserve will be eligible for up to two (2) nights' reimbursement per number of Reserve blocks in his original line.
    - a. If a pilot is involuntarily displaced from a domicile, he may choose between three (3) months of paid temporary living expenses or a paid move.

- b. A pilot placed in another domicile due to a contingency bid is not considered involuntarily displaced.
  - c. Once a pilot submits an expense report for temporary living expenses, the pilot may not choose a paid move unless he is displaced again.
  - d. Only the months immediately following the displacement are eligible for temporary living expenses. A pilot may not defer temporary living expenses to a later month.
  - e. Once a pilot returns to the original domicile he was displaced from or a higher choice, he is no longer eligible for temporary living expenses.
  - f. If a displaced pilot alters his bid in such a way that precludes him from returning to his original domicile, he is no longer eligible for temporary living expenses. (For example, a pilot moves his new domicile to a higher vacancy bid choice than his original domicile.)
  - g. If a displaced pilot is displaced again within the three (3) month bid period, he will be eligible for one (1) additional month of paid expenses.
  - h. The number of paid overnights will be determined by the bid line awarded prior to any overlap adjustments or other schedule changes. One (1) overnight will be counted for each hard line pairing. A Reserve will be eligible for up to two (2) nights' reimbursement per number of Reserve blocks in his original line.
  - i. If a Reserve line holder gives away his Reserve blocks and picks up hard line flying, the pilot will be eligible for one (1) overnight per pairing only in the domicile of his original bid line award.
  - j. The paid overnights may only be used in the domicile of the bid line award.
  - k. In the event of a trade or give away, the paid overnight eligibility will not be transferred to the other pilot.
  - l. Eligible pilots must have expense reports turned in to their Crew Base no later than the 15th of the month following the first month of his new assignment.
- D. Successful bidders on a vacancy bid will pay their own moving expenses except as provided elsewhere in this Agreement.
- E. Pilots eligible for Company paid moving expenses under the provisions of this Section will be reimbursed per the following provisions:

1. Actual moving expenses, including packing, unpacking and insurance for household effects, to eighteen thousand (18,000) pounds including up to sixty (60) days of storage. Normal and customary third party charges for actual moving expenses will include the disconnecting, disassembly, assembly, installation, or adjustment of electrical wiring, equipment, plumbing or appliances. Any item of personal property may be included unless an additional surcharge or separate fee is charged for the item, in which case the excess charges will not be paid by the Company. This move may be accomplished in two stages.
2. A pilot will be reimbursed for moving expenses associated with a self-move not to exceed the equivalent cost of a commercial move. Expenses will be substantiated by receipts.
3. Twenty-four cents (\$0.24) per mile or Company policy, whichever is greater, for the first vehicle, and eighteen cents (\$0.18) per mile for the second vehicle, based on the shortest AAA mileage between the old and new domicile. Pilots will be allowed to ship vehicles. If the automobile is shipped, the Company will pay the shipment charges up to the allowable mileage provided herein.
4. Actual expenses (within reason, supported by receipts) for meals and lodging en route for the pilot and members of his dependent family.
5. Travel time will be allowed at the rate of one (1) calendar day for each three hundred fifty (350) miles or fraction thereof plus one (1) additional day on each end of the move.
6. For each day of travel time, a pilot will receive pay for all lost TFP, or three (3.0) TFP per day, whichever is greater.
7. The Company will pay for the move from a pilot's present domicile or residence to the new domicile, whichever is less. For the purposes of this paragraph, "domicile" will be defined as a location within two hundred (200) highway miles of the crew base or a location which is a Southwest city that is not greater than the equivalent of one and one-half (1.5) TFP from the crew base. If the pilot elects the trip equivalent move, the move location must be within fifty (50) highway miles of the online airport.
8. In the event the Company elects to open a Domicile outside of the contiguous 48 states, the Company and SWAPA agree to meet and negotiate a list of covered cities that will qualify for the paid move as described in Section 10.E. prior to opening the new domicile.
9. The Company's obligation for a paid move to the new domicile will terminate if not used within twenty-four (24) months of the award date. The move will commence on the date when the mover loads the household effects where the move originates.



## SECTION 11: VACATIONS

### A. GENERAL

1. The calendar year will be divided into fifty-two (52) or fifty-three (53) seven (7) day blocks, starting the first Sunday in January. A pilot assigned the last block will not be considered to have deferred his vacation.
2. The criteria for computing the number of seven (7) day blocks per calendar year are as follows:
  - a. The Captain and First Officer Seniority Lists will be computed individually for each domicile.
  - b. In computing the Captain list for each domicile, the total number of seven (7) day blocks is computed by multiplying the number pilots eligible for only seven (7) days vacation by one (1), only fourteen (14) days by two (2), etc. The entire list is then totaled and multiplied by ninety-five percent (95%). This number will then yield the total number of seven (7) day blocks to be distributed throughout the year for that particular list. The Company must post for bid a minimum of six percent (6%) of the accrued vacation periods in each bid period; twenty-six and three-tenths percent (26.3%) during June through August; and eight and eight-tenths percent (8.8%) during the month of November and the month of December.
  - c. In computing the First Officer list for each domicile, the total number of seven (7) day blocks is computed by multiplying the number pilots eligible for only seven (7) days vacation by one (1), only fourteen (14) days by two (2), etc. The entire list is then totaled and multiplied by one and five-hundredths (1.05). This number will then yield the total number of seven (7) day blocks to be distributed throughout the year for that particular list. The Company must post for bid a minimum of six percent (6.0%) of the accrued vacation periods in each period; twenty-three and one-half percent (23.5%) during June through August; and eight and three-tenths percent (8.3%) during the month of November and the month of December.
  - d. For computation only, a pilot with total credited days vacation which do not correspond to seven (7) day blocks, will have credited vacation days rounded accordingly (i.e., a ten (10) day vacation will be counted as one (1) seven (7) day block for computation). For example, a pilot with sixteen (16) vacation days would have two (2) weeks of vacation. Nine (9) days would be associated with the last round of vacation bidding.
3. All aspects of this Section apply equally to Vacation Relief and Reserve line holders including the ability of Reserve line holders to drop Reserve days outside the vacation block without Company concurrence.

4. A pilot may convert an awarded vacation week to a floating vacation by 1200 CT the first (1<sup>st</sup>) of the month prior to the scheduled vacation (i.e. a pilot with an April vacation must convert the vacation by March 1<sup>st</sup>).
5. The original vacation bid results will be posted electronically.
6. A pilot will be paid for vacation at the rate of pay for the status he is flying during the bid period(s) of his vacation.
7. The year in which a pilot retires or leaves employment with the Company, he will be paid for vacation accrued during that year and any vacation remaining from the previous year.
8. Pilots on leave of absence due to OJI may convert/exchange their awarded vacation week(s) for a floating vacation.

#### B. VACATION ACCRUAL

Vacations will not be cumulative, and a vacation to which a pilot becomes entitled on December 31<sup>st</sup> of any year will be forfeited unless taken during the following calendar year.

A pilot will be entitled to and will receive vacation with pay as follows:

1. A pilot who, as of December 31<sup>st</sup> of any year, has had less than one (1) calendar year of credited service with the Company will be entitled to a vacation on the basis of one and one sixth (1 1/6) days for each month of credited service.
2. Vacation days will be accrued at the following rates:
  - a. As of December 31<sup>st</sup> of any year, a pilot who has had one (1) year or more of credited service but less than five (5) years of credited service will receive fourteen (14) days.
  - b. As of December 31<sup>st</sup> of any year, a pilot who has had five (5) years or more of credited service but less than ten (10) years of credited service will receive twenty-one (21) days.
  - c. As of December 31<sup>st</sup> of any year, a pilot who has had ten (10) years or more of credited service but less than eighteen (18) years of credited service will receive twenty-eight (28) days.
  - d. As of December 31<sup>st</sup> of any year, a pilot who has had eighteen (18) years or more of credited service will receive thirty-five (35) days.

3. For purposes of computing vacation, fifteen (15) days or more of credited service in a calendar month will be considered a full month and less than fifteen (15) days will not be considered.

#### C. VACATION NOTICE, BIDDING AND AWARDS

##### 1. Vacation Bidding Schedule:

ROUND	OPENS*	CLOSES*	Award Time	Protest Period
First	September 1	September 14	1800 on 14th	Closes at 1200 on 16th
Second	September 17	September 23	1800 on 23rd	Closes at 1200 on 25th
Third	September 26	October 2	1800 on 2nd	Closes at 1200 on 4th
Fourth	October 5	October 11	1800 on 11th	Closes at 1200 on 13th
Fifth	October 14	October 20	1800 on 20th	Closes at 1200 on 22nd

\*All rounds open and close at 1200 noon Central Time.

Each round of bidding will be completed for the entire Seniority List before a subsequent round is posted for bid. When a seven (7) day block is filled, it will be removed from bidding in subsequent rounds.

2. A pilot will bid for vacation with respect to position and base held at the time the first vacation round is posted.
3. If a pilot elects to split vacation, it will be in periods of not less than seven (7) consecutive days each. The second, third, fourth, and fifth periods of vacation will be granted in the order of seniority at the domicile at which that pilot is based, and only after the first, second, third, and fourth periods of vacation for more junior pilots have been granted respectively.
4. Any vacation periods not bid or assigned or vacation periods that become available for any reason shall be posted as they occur.
5. A pilot may bid for and be awarded multiple floating vacations in any round of vacation bidding.
6. A pilot transferring into a domicile or changing crew position status within a domicile for any reason after any or all vacation results have been posted will retain the previous bid and assigned vacation period.

#### D. FLOATING VACATION

##### 1. Designation: Yearly Floating Vacation Designation

A pilot with two (2) or more weeks of vacation is allowed to bid any or all weeks as floating vacation(s).

##### 2. Bid: Monthly Floating Vacation Bid

Bidding and using a floating week:

- a. The Company will post projected available weekly floating vacation slots electronically for the next year no later than November 1<sup>st</sup> the year prior to the new calendar year. No less than one (1) available slot per week per month per seat in each domicile will be made available. The period incorporating Thanksgiving Day and the last two (2) vacation weeks of December are black-out periods. When the year has fifty-three (53) weeks, the last three (3) weeks of December are black-out periods. In domiciles with two hundred (200) or more hard lines, no less than two (2) slots per week per seat per bid period will be made available.
- b. A pilot with floating vacation available may bid an available seven (7) day vacation block in his respective domicile and seat until the bid is closed and awarded at noon (1200) Central Time on the first (1<sup>st</sup>) of the month, one (1) month prior to the vacation. Awards for February will be awarded at noon (1200) Central Time on January 2<sup>nd</sup>. The Company will post available seven (7) day blocks of vacation for bid each month by pilots holding Floating Vacations designated in the yearly vacation bid process. This will be done electronically through Crew Management System (CMS) and will be available continually from the first of the year.
- c. Floating vacation bidding will be conducted as follows:
  - i. Floating vacation slots will be published no later than the posting of the monthly bid packet two (2) months prior to the vacation month;
  - ii. Floating vacation bidding will close at noon (1200) Central Time on the first (1<sup>st</sup>) of the month, one (1) month prior to the vacation;
  - iii. Floating vacation awards will be posted by 1800 Central Time on the first (1<sup>st</sup>) of the month, one (1) month prior to the vacation. Awards for February will be posted by 1800 Central Time on January 2<sup>nd</sup>;

iv. The protest period for floating vacations will end twenty-four (24) hours after the awards are posted.

d. If a pilot is unsuccessful in bidding a floating vacation week, he may bid again in later bid periods during that calendar year.

### 3. Line Adjustment: Floating Vacation Monthly Line Adjustment

After the pilot's monthly bid award is final, the pilot will drop the pairing within the floating vacation week. A pairing may not be split. If the vacation slot overlaps only one (1) pairing, this will then require a shift of the vacation in order to encompass the complete pairing. If the vacation slot overlaps more than one (1) pairing, the shift would be made to drop the pairing with the least number of pay trips.

### 4. Cash In: Floating Vacation Cash In

- a. The pilot has the option to "cash in" his floating vacation for pay at any point during the calendar year prior to being awarded a specific vacation slot. A pilot may at any time exercise his cash in option via CMS.
- b. A cash-in request received by Crew Planning no later than ten (10) calendar days prior to the next pay day (5<sup>th</sup> and 20<sup>th</sup>) will be paid on the next payday. Request for cash in will be available via electronic method on CMS or similar electronic means.
- c. Automatic Cash In: A floating vacation not used or cashed in during the year will be paid on the December 20<sup>th</sup> pay check.

## E. VACATION CHANGES (TRADES, SHIFTS, ADJUSTMENTS)

### 1. Vacation Trades:

Pilots may trade vacations within the following constraints:

- a. Trades must be seat specific.
- b. Trades may be within or between domiciles.
- c. Vacation blocks traded must have an equal number of days. Blocks may be split into no less than seven (7) day increments (Sun-Sat) for trade.
- d. Vacations must be within the same calendar year.
- e. Vacation trading for the next year will begin on November 1<sup>st</sup>.

- f. A trade must be completed via CMS prior to noon (1200) Central Time on the first day of the bid period immediately preceding the month the vacation trade would be effective (i.e., by noon on March 1<sup>st</sup> for an April vacation trade).
- g. A pilot may trade his vacation with any open/unassigned vacation week(s) via CMS on a first come, first serve basis. These weeks will be available via CMS beginning no later than November 1<sup>st</sup> of the year prior to the year in which vacations are being used.

## 2. Vacation Shifts

A pilot may shift the first day of a vacation period by up to three (3) days provided it does not incur an increase in TFP drop or cause him to receive vacation on a Flight Operations designated holiday (New Year's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day). If it increases the TFP drop or he shifts the vacation to include a Flight Operations designated holiday it must be mutually agreed upon between the pilot and the Crew Planning. The shift must encompass an entire pairing. No overlap may remain after shifting the vacation.

## 3. Vacation Splits

- a. When a pairing overlaps at the beginning or end of a vacation period, the following will apply:
  - i. Shows at or prior to 1100: A pilot on a pairing that shows at or prior to 1100 domicile time on the day prior to beginning vacation must be scheduled to block in to the pilot's domicile by 1930 domicile time the day before vacation begins.
    - a) If the pilot's pairing is not scheduled to block in to domicile by 1930, the pilot will be pulled off the pairing the last time the pairing passes through the domicile after 1200 but by 1930 the day prior to the start of vacation.
    - b) Pairings which do not pass through the domicile as stated in Paragraph 3.a.i.a). above will be broken in order to facilitate timely recovery of each pilot to block in to the domicile by 1930 domicile time.
    - c) If a pilot is assigned an unscheduled overnight, rules as delineated in 3.a.ii.b). will apply.
  - ii. Shows after 1100: A pilot on a pairing that shows after 1100 on the day prior to beginning vacation must be scheduled to block in to the pilot's domicile by 2400 domicile time the day before vacation begins.

- a) If the pilot's pairing is not scheduled to block in to domicile by 2400, the pilot will be pulled off the pairing the last time the pairing passes through the domicile after 1800 but by 2400 the day prior to the start of vacation.
- b) Pairings which do not pass through the domicile as stated in Paragraph 3.a.ii.a). above will be broken in order to facilitate timely recovery of each pilot to block in to the domicile by 2400 domicile time.

Connect times on other than the same aircraft will follow the same criteria that the Company uses in positioning pilots for pairings but in no case less than forty (40) minutes. If he does not return by 2400 domicile time and receives an unscheduled overnight, the pilot will have the option of extending his current vacation by one (1) day or by adding one (1) day to his next vacation block. In addition, the pilot will be paid ADG for the unscheduled overnight. If extension of the vacation creates an overlap at the end of the vacation, and the pilot elects to fly the pairing, he will be paid an additional three and three-quarters (3.75) TFP. If the pilot takes the vacation day, the overlap will be adjusted according to vacation overlap procedures and he will be paid the greater of the additional trip loss or three and three-quarters (3.75) TFP per day.

- iii. All TFP lost by the above procedures will be paid by the Company. Deadheads will not normally be paid unless they are part of a bid pairing. For the purpose of computing Duty Hour Rig (DHR) pay, the pilot will be considered to be on duty until the pilot is released in domicile before his vacation. After his vacation, DHR begins at report time.
- iv. The Company will schedule a pilot to return to that pilot's pairing following vacation in a timely manner.
- v. Flight time scheduled within a vacation and not flown will not be included in calculations of flight time legalities for flight time scheduled and/or flown outside of the vacation period.

Flights or series of flights scheduled outside of a vacation that are paid but not flown due to an overlap conflict at the beginning or end of the vacation will not be considered when calculating block hour legalities outside of the vacation period.

A pilot awarded a first round line has until 1200 on the thirteenth (13<sup>th</sup>) of each month to advise Crew Planning via standing preference or phone call of his election to drop the remaining flying or Reserve days without pay. A pilot who prefers to keep the flying outside of his vacation must submit this preference by 1200 on the 11<sup>th</sup> of each month.

A pilot awarded a vacation relief line or Reserve line in the second round of bidding must contact Crew Planning via standing preference or phone call no later than 1200 on the twenty-second (22<sup>nd</sup>) if the pilot elects to drop the remaining flying without pay. A pilot who prefers to keep the flying outside of his vacation must submit this preference by 1200 on the 20<sup>th</sup> of each month. This applies to Reserve lines or blocks within the second round.

4. Other Uses for Vacation

a. Leave of Absence

With Chief Pilot concurrence, for instances which are of a serious nature, the pilot may elect to drop trips at no compensation or utilize a seven (7) day vacation block of the pilot's choice, beginning with the first day of such vacation block. Should a pilot wish to use less than a seven (7) day block, then the entire seven (7) day block that is being split will carry a daily valuation of three and three-quarters (3.75) TFP regardless of trips pulled or when taken. If the entire seven (7) day block is utilized, the pilot will be paid the greater of the daily valuation rate of three and three-quarters (3.75) per day or TFP pulled. The pilot will utilize vacation days beginning with the first day of the vacation block.

A vacation cannot be moved up to create a vacation overlap. The vacation must be slid to wholly contain conflicting pairings.

A vacation whose overlap has already been adjusted is not eligible for a move up.

- b. With approval from the Chief Pilot, a pilot may borrow accrued vacation from next year for emergency uses in the current year if the pilot no longer has vacation available in the current year.

## **SECTION 12: LEAVES OF ABSENCE**

### **A. EMERGENCY LEAVE**

1. In the event of an immediate family member's death, the Company will grant a pilot up to four (4) days leave with pay for trips missed. Immediate family members are defined as the pilot's: mother, father, step-mother, step-father, spouse, eligible Committed Partner or eligible Registered Partner, child, step-child, brother, sister, grandparent, grandchild, mother-in-law, father-in-law, or mother, father or child of the pilot's eligible Committed Partner or eligible Registered Partner. If additional days are required, such days may be taken without pay or deducted from the pilot's vacation time.
2. With Chief Pilot concurrence, for instances which are of a serious nature, the pilot may elect to drop trips at no compensation or utilize a seven (7) day vacation block of the pilot's choice, beginning with the first day of such vacation block.

Should a pilot wish to use less than a seven (7) day block, then the entire seven (7) day block that is being split will carry a daily valuation of three and three-quarters (3.75) TFP regardless of trips pulled or when taken.

If the entire seven (7) day block is utilized, the pilot will be paid the greater of the daily valuation rate of three and three-quarters (3.75) TFP per day or TFP pulled. The pilot will utilize vacation days beginning with the first day of the vacation block. A vacation cannot be moved up to create a vacation overlap. The vacation must be shifted to wholly contain conflicting pairings. A vacation whose overlap has already been adjusted is not eligible for a move up.

With approval from the Chief Pilot, a pilot may borrow accrued vacation from next year for emergency uses in the current year if the pilot no longer has vacation available in the current year.

### **B. SICK LEAVE**

1. Accrual:

Each pilot will accrue one (1.0) TFP of sick leave credit for each ten (10.0) straight time TFP cumulative up to a maximum of one thousand six hundred (1,600) TFP of sick leave credit. Fractional sick leave credit will be computed (i.e., 95 trips = 9.5 sick leave credit TFP). Sick leave credit for premium trips will be accrued at straight pay. Sick leave credit will accrue for all paid trips, except while on sick leave.

2. The Company will be responsible for maintaining a record of sick leave accrual and payment. Sick leave records will be made available to pilots.

3. A pilot furloughed due to reduction in force will retain sick leave credit accrued prior to furlough in the event of recall within the period set forth in Section 22, Reduction in Force, Furlough and Recall.
4. Sick leave will not be payable upon termination. Upon retirement, sick leave may be traded for continued medical coverage under any coverage option of the flexible benefits portion of the health plan, including optional dental, at the rate of one (1) month coverage for each ten (10.0) TFP accrued or until federal Medicare eligibility age as defined in Section 14, Insurance and Loss of License, whichever occurs first.
5. Pay for sick leave will be on the basis of trip pay lost due to sickness or injury. Weekly Indemnity Pay under Worker's Compensation Insurance applicable to the same period of absence will be deducted from the sick leave pay.
6. A pilot who will be unable to fly because of illness or injury will promptly notify Scheduling. Said pilot will be entitled to use accrued sick leave. If a pilot calls in sick for in the morning for a multiple day pairing, the pilot can return to the pairing at the earliest point either in his domicile, within contractual Split Points in each domicile or otherwise, if mutually agreed upon. A pilot returning to a pairing from sick leave will not be compensated for deadheads.

If a pilot calls in sick in the afternoon for a multiple day pairing, the pilot can return to the pairing on a subsequent day at the earliest point either in his domicile, within contractual Split Points in each domicile, or otherwise, if mutually agreed upon. If a pairing is awarded through the open time system, the pilot will not be able to rejoin the pairing.

7. A pilot not flying an assigned line for the bid period will be paid and charged the number of TFP scheduled flying or Reserve duty (appropriate rate) which the pilot fails to perform as a result of illness or injury.
8. A pilot on sick leave during the bidding period and projected to be on extended sick leave for the entire bid period will bid a line ("paper bid") for pay purposes. A pilot must make his intention to paper bid in writing or via computer (for pay only) by bid closing. The pilot may use, at the pilot's option, a minimum of fifty percent (50%) of the bottom line TFP total for the awarded bid line as sick leave.
  - a. A pilot who is paper bidding must notify Crew Payroll of pay intent not later than the tenth (10th) day of the bid period.
  - b. Overlaps will not be paid and legalities will not be considered.
  - c. A pilot scheduled for vacation during a period of a paper bid will have the period of scheduled vacation treated as vacation and paid under the vacation rules established in Section 11 of this Agreement. The remainder will be paid as sick leave. Sliding of vacation will not be allowed.

## Section 12: Leaves of Absence

- d. A pilot on extended sick leave will have the option of taking a minimum of fifty percent (50%) of the bottom line TFP total for the awarded bid line as sick leave.

Since this reduced use of sick leave will have the effect of extending the pilot's health care benefits and lengthening the time period until the actual last day paid, it is agreed that the pilot will pay a prorated portion of the insurance premium during this extension period. For calculation purposes, the vacation balances, initial sick leave balance and actual sick leave used, will be determined based on the pilot's last day actively at work prior to the use of sick leave for the particular incident which caused the leave of absence. This extension period will not apply to occupational injury leaves.

The pilot's extension period and insurance premiums associated with the extension period will be calculated and administered in the following manner:

- i. When a pilot goes on sick pay status (first day of extended sick leave) an artificial last day paid (ALDP) will be calculated as follows:

The balance of all of the pilot's accrued sick leave trips, if any, on the last day actively at work will be divided by ninety-five (95) trips to equal an artificial month's pay. Each artificial month of pay will be applied to the last day actively at work (A month begins on any day in a given calendar month, and ends on the same numbered day in the next calendar month. If the calendar month does not have the same numbered day, the month will end on the last day of that calendar month). Each fraction of a month will be converted to days (fractions of a day will be rounded up to equal one (1) day) and applied to each calendar day. In addition, all accrued vacation days, if any, that will be used during the leave of absence will also be applied to each calendar day. The last day for which accrued sick and vacation time were applied shall be the pilot's artificial last day paid. After the ALDP date, the insurance extension period begins and the pilot will pay a portion of the premium expense.

- ii. When the pilot actually reaches the ALDP, the Company will compute the "percentage of sick leave trips used" (PSLTU) by the pilot from his last day actively at work.

$$\text{Percentage of sick leave trips used} = \frac{\text{Actual Sick Leave Used}}{\text{Initial Sick Leave Balance}}$$

- iii. After the date of the ALDP, the pilot will then pay a prorated percentage of the applicable monthly medical/dental insurance premium for the balance of the extension period (until the exhaustion of all sick leave) that is equivalent to one hundred percent (100%) minus the PSLTU as described above. Monthly insurance premiums are defined as the COBRA rates determined by the Company on an annual basis. These rates are adjusted as of January first (1<sup>st</sup>) of each year. If the pilot is currently enrolled in a medical/dental plan which normally requires employee contributions, these payroll deductions will continue. Monthly premium amounts for the extension period (total monthly extension period premium minus normal monthly payroll deductions) will be made on an after tax basis through semi-monthly payroll deductions. Premiums for the extension period will begin/end as follows:

<u>Begin/End Date</u>	<u>First/Last Payroll Deduction</u>
1st through 15th	20th paycheck
16th through end of month	5th paycheck

Note: Semi-monthly premiums will not be prorated.

- iv. At the time of the ALDP, the pilot must choose a fixed number of sick trips he will be charged against for each month remaining in the extension period. This may not be less than forty-seven and one-half (47.5) trips.
- v. At the total exhaustion of sick leave, the one hundred twenty (120) day leave of absence plan continuation period will begin (normal employee contributions, if any, will be required) followed immediately by the beginning of COBRA continuation, if elected by the pilot.
- vi. The pilot must notify Company Employee Benefits not later than thirty (30) days prior to ALDP and authorize proper payroll deductions. In addition, the pilot must also notify Employee Benefits prior to his return to work so that current deductions, if any, may be stopped on a timely basis.

#### 9. EXAMPLE CALCULATION OF PRORATED PREMIUM

Pilot with sick leave balance of 975 trips and two (2) weeks accrued vacation whose last day actively at work is May 5<sup>th</sup>. During sick leave he uses four hundred (400) trips sick leave prior to March 28<sup>th</sup>.

- Initial sick leave balance = 975 trips.
- Sick trips converted to months = 975 divided by 95 trips = 10.26 months.
- 10.26 months = 10 months + 8.06 days = 10 months + 9 days.

- d. Accrued sick leave + vacation time = (10 months + 9 days) + (14 days) = 10 months + 23 days.
- e. Artificial Last Day Paid (ALDP) = 10 months + 23 days from May 5<sup>th</sup>  
ALDP = March 28<sup>th</sup>.
- f. On the ALDP ( March 28<sup>th</sup>) the percentage of sick leave trips used is:  

$$(PSLTU) = \frac{\text{Actual Sick Leave Used}}{\text{Initial Sick Leave Balance}} = \frac{400}{975} = 41\%$$
- g. Beginning March 28<sup>th</sup>, the pilot's prorated insurance premium percentage is 100% - PSLTU = 100% - 41% = 59%. The pilot will pay 59% of the medical/dental insurance premium until the remaining (975-400) = 575 trips of sick leave are used.
- h. On the ALDP (March 28<sup>th</sup>) the pilot must select a fixed number of trips to take during the remainder of the 575 trips of sick leave but not less than 47.5 trips/month. In this case to get the maximum extension the pilot could elect 47.5 trips/month and would have coverage for 575 divided by 47.5 trips = 12.11 months.
- i. At the end of the extension period, i.e. the total exhaustion of all sick leave, the one hundred twenty (120) day leave of absence plan continuation period begins followed immediately by the beginning of COBRA continuation.

10. Any pilot who returns to flying without a line of time will be assigned by the Company to Reserve status on a pro rata basis for the remainder of the bid period. Compensation and days off will be prorated for partial months. A pilot may elect to forego the prorated line guarantee and Reserve obligation and pick up any available flying.



11. A pilot who calls in sick while on-line will be offered a [must ride pass](#) to deadhead to his domicile or home on a Southwest flight. These deadheads do not need to be logged in Crew Management System and there is no duty day restriction for the pilot to deadhead home. Additionally, if the pilot is too sick to travel, they should be provided a room until such time that they feel okay to travel to his domicile or home.

### C. MEDICAL LEAVE OF ABSENCE (MLOA)

- 1. A pilot will be granted leave of absence for illness or injury that prevents the pilot from performing as a pilot. The pilot will retain and continue to accrue seniority and longevity for pay purposes until able to return to duty except, that in no case will leave of absence for sickness or injury exceed a total continuous period of seven (7) years unless extended by mutual consent of the Company and the Association.

Neither sick leave, occupational leave, nor vacation will be accrued during such leaves of absence.

2. The Company shall grant medically retired status to a pilot on medical leave of absence upon request if the pilot is permanently disabled as a pilot. A pilot who exhausts MLOA, and is still unable to return to work as a pilot due to injury or illness, will be placed in medically retired status.
3. A pilot in medically retired status will enjoy those rights and privileges extended to medically retired employees per Section 14 and under Southwest Airlines' corporate policy.

#### D. PERSONAL LEAVE OF ABSENCE

With thirty (30) days' notice to the Company, a pilot may request a minimum of thirty (30) days of personal leave of absence without pay. If granted, leave must begin on the first day of a bid period and end on the last day of a bid period.

#### E. MATERNITY LEAVE

1. Any pilot who becomes pregnant will, within fourteen (14) days of learning of her condition, notify her supervisor and present a medical certificate confirming the pregnancy and the expected date of delivery, and containing authorization for the pilot to continue flying. The pilot may continue to work provided that she furnishes the Company with medical authorization every thirty (30) days on a form supplied by the Company. Whenever such pilot's doctor will not provide the required medical authorization, the pilot will request maternity leave. When maternity leave is requested, such leave will be granted until such time as the disability caused by the pregnancy is no longer present, and thereafter, except for extraordinary circumstances, for a period not to exceed more than one hundred twenty (120) days after the termination of the pregnancy. During such period, she will retain and continue to accrue seniority and longevity. Her accrued sick leave may be used for maternity leave.
2. A pilot will notify the Company, in writing, of the termination of her pregnancy within fourteen (14) days, and of her expected date of return to active service within thirty (30) days after termination of her pregnancy. If a pilot is unable to return to active service because of a certified, bona fide medical incapacitation, she will be entitled to receive a medical leave of absence under the provisions of this Section.
3. A pilot who adopts a dependent child not currently living in the pilot's home will be granted a personal leave of absence for a period not to exceed ninety (90) days and will retain and continue to accrue seniority during such leave.

## F. MILITARY LEAVE OF ABSENCE (MILOA)

### 1. General:

- a. The Company and the Association are jointly committed in the support of those who participate as members of the uniformed services and recognize that it is the responsibility of all parties involved, including the pilots who serve in the military, to ensure compliance with applicable federal law.
- b. A Military Resolution Board (MRB) will be established to build and maintain a good working relationship between the Company, the Association and the Uniformed Services. The MRB will consist of the VP Flight Operations (or his designee) and the President of the Association (or his designee). The MRB will coordinate with the Chief Pilot, the military guard/Reserve pilot, and the military commander to resolve any conflicts or questions that may arise.
- c. The Company and the Association will publish a *Joint SWA/SWAPA Flight Operations Military Handbook* annually to provide MILOA policy explanations and detailed instructions for Military Leaves of Absence procedures to comply with Company procedures and federal guidelines. The *Joint SWA/SWAPA Flight Operations Military Handbook* will be reviewed and updated annually by the Company and the Association, and will be jointly approved by the Vice President of Flight Operations and the President of the Association. Amendments and changes to the *Joint SWA/SWAPA Flight Operations Military Handbook* outside the annual review may be made with the concurrence of the Vice President of Flight Operations and the President of the Association.

### 2. Notification:

#### a. Planned Military Assignments:

A pilot should notify his Chief Pilot of all military duty, including military duties that do not conflict with Company duties, as far in advance as possible. This information will enable the Company to document its support of the military, as well as help ensure accurate monthly staffing. Notification will normally be accomplished by submitting a completed MILOA notification form to the respective domicile Chief Pilot. The Chief Pilot will forward leave request information to Crew Planning and Scheduling as appropriate. Crew Planning and Scheduling will update their respective sections of the crew management system to accurately reflect the pilot's status.

b. Short Notice Military Assignments:

When time constraints make completion of the MILOA Notification form impractical, the pilot will contact the Chief Pilot, or Duty Chief Pilot, to initiate the Military Leave and to resolve any conflicts with flight or duty assignments.

3. All policies and procedures concerning military leaves of absence will be as outlined in the *Joint SWA/SWAPA Flight Operations Military Handbook*.

G. CRITICAL INCIDENT LEAVE OF ABSENCE

A pilot shall be given a minimum of seven (7) days of paid leave of absence for critical aircraft incidents such as hijacking, sabotage, or other aircraft incidents deemed by the Vice President of Flight Operations to be of a serious nature.

H. FMLA LEAVE

A pilot shall be afforded the provisions of the Family and Medical Leave Act of 1993 as those provisions apply to the Company. The Company has promulgated a corporate policy pursuant to the Act covering its employees, including pilots. This policy will be updated to stay current with any changes in federal law.

## SECTION 13: ON THE JOB INJURIES

### A. GENERAL

1. The Company shall reimburse a pilot for all emergency out-of-pocket medical expenses incurred in connection with a compensable or otherwise undisputed, on-the-job injury (OJI).
2. A pilot who is injured while on a trip or other Company business shall notify his Chief Pilot or designee of such injury as soon as practicable. The Chief Pilot or designee will then arrange for the pilot's future trips to be pulled and coded as OJI, as necessary.
3. If the pilot cannot contact his Chief Pilot, or his designee, immediately and needs treatment, the pilot may always use personal health insurance or pay cash, in order to get required treatment, and the Company shall reimburse all charges (including deductibles and co-payments) for medical treatment, if the injury is deemed compensable or is otherwise undisputed.
4. If a pilot exhausts his occupational injury/illness leave and remains unable to return to his scheduled duty, he may utilize his accrued sick leave as provided in Section 12.B. of this Agreement. However, in such circumstance only, the pilot shall not accrue OJI leave while using sick leave.
5. Worker's Compensation received by a pilot for a period of absence during which he also received payments through his OJI bank shall be reimbursed to the Company. The Company will then replenish the pilot's OJI bank with trips of equivalent value to the reimbursement.
6. A more detailed explanation of administrative OJI procedures entitled *SWA Pilots Injured on the Job: What You Need to Know* is available on SWALife.com.

### B. ACCRUAL

Each pilot will accrue six (6) TFP of on-the-job injury (OJI) accrual for each month of service with the Company, cumulative to a maximum of eight hundred (800) TFP. For purposes of computing OJI leave, fifteen (15) days or more of credited service in a calendar month will be considered a full month and less than fifteen (15) days may not be considered. For the purposes of this Section, sick leave counts as credited service. The Company will be responsible for maintaining a record of on-the-job injury accrual and will make such record available upon request. Newly hired pilots will be given an initial OJI bank balance of one hundred (100) TFP.

### C. USAGE

1. A pilot's OJI bank may be used upon accrual. When a pilot suffers an on-the-job injury and uses his OJI bank under these provisions, the Company will make up the difference between what is paid to the employee by Worker's Compensation and what the employee would have made if he had worked a regular bid line. Until a definite Worker's Compensation rate is established and is being paid, the Company will pay the injured pilot his normal earnings on each regular payday.
2. Whenever charges are made against the on-the-job injury bank of a pilot who has accumulated the maximum allowable hereunder, credit will thereafter again begin to accrue immediately at the rate provided herein until a maximum is again accumulated.
3. The Company may require the injured pilot to submit to physical examination by an AME other than the AME who issued the last physical. Payment of OJI pay as provided for herein may be terminated if the pilot refuses to submit to the examination or if the pilot is found fit to return to work.

The Company agrees to allow the pilot to obtain a second opinion if the pilot disagrees with the initial AME determination. If the second AME opinion does not agree with the first AME's opinion, a third and final AME, as agreed upon by the pilot's AME and the Company's AME, will serve as a final opinion.

4. The cost of the opinion of the third AME, as outlined above, will be shared equally between the Company and the pilot.

## SECTION 14: INSURANCE AND LOSS OF LICENSE

### A. INSURANCE

1. Each pilot, while in the active service of the Company as a pilot or while being held out of service during the first thirty (30) days of disciplinary suspension or the first thirty (30) days of leave of absence without pay, will be provided with the following group insurance coverage at Company expense.
  - a. The basic amount of group life and accidental death and dismemberment insurance coverage applicable to the pilot's earnings bracket under the Regular Plan group life insurance schedule for Company employees in effect as of the effective date of this Agreement.
  - b. A comprehensive group medical and dental plan (Regular Plan) for Southwest employees covered by this Agreement and their eligible dependents as is in effect on the effective date of this Agreement. During the term of this Agreement, the Company will continue the benefits of the Regular Plan and will not reduce the benefits provided by the Regular Plan to persons covered by this Agreement and their eligible dependents.
  - c. Alternative, personal option plans (Benefits Plus Plans) may also be made available to employees covered by this Agreement upon the same terms and conditions as such plans are made available to any other group of Company employees. Any future increase in costs borne by the Company for employees not covered by this Agreement will be borne by the Company for employees covered hereunder.

Pilots who have been suspended for disciplinary reasons for longer than thirty (30) days can keep their insurance benefits for the duration of their suspension by paying the applicable active employee premium.

2. The Company will provide each pilot with a current description of the terms and conditions of the Southwest Airlines Funded Welfare Benefit Plan (or its successor) as well as the Company paid Loss of License Plan.
3. All pilots will have a special accidental death and dismemberment benefit which provides for a maximum of one hundred thousand dollars (\$100,000) coverage while taking part in training flights, test flights or ferry flights requiring a ferry permit.
4. Each pilot is covered under "bomb scare" insurance which pays for death or dismemberment suffered "While the Insured Person is on the business of the Holder ... in consequence of a bomb explosion in or about an aircraft, provided such aircraft

is owned or operated by the Holder". The coverage under this policy provides a maximum of five hundred thousand dollars (\$500,000) for any one person for death or dismemberment, with a maximum of at least one million dollars (\$1,000,000) for any accumulation.

5. Retiree Medical and Dental

- a. The Company agrees that a pilot retiring at or after age fifty-five (55), but before age sixty (60), with at least fifteen (15) years of credited service with the Company may elect to continue coverage for the pilot and his eligible dependents under the Company's Medical Plan C and Basic Dental for the entire duration of retirement coverage up to Medicare eligibility age or age sixty-seven (67), whichever occurs first. In the event Medicare eligibility age changes to an age beyond sixty-seven (67), the provisions of this Agreement relating to Medicare eligibility age may be reopened upon request by either Party for the limited purpose of renegotiating these provisions. The pilot may purchase such coverage as provided below, from the date he retires until Medicare eligibility age or age sixty-seven (67), whichever occurs first. The pilot may trade sick leave at the rate of one (1) month of coverage for each ten (10) TFP accrued. If the pilot does not have sufficient sick leave to purchase coverage to Medicare eligibility age or age sixty-seven (67), whichever occurs first, the pilot may purchase such coverage by payment of the age-banded actuarial cost of coverage for the Plan. The pilot and his eligible dependents must agree to forego COBRA coverage during this period.
- b. A pilot retiring at or after age sixty (60) may elect to continue coverage for the pilot and his eligible dependents under the Company's Benefits Plus Plans up to Medicare eligibility age or age sixty-seven (67), whichever occurs first. The pilot may purchase such coverage by the trading of sick leave, as provided below, from the date he retires until Medicare eligibility age or age sixty-seven (67), whichever occurs first. The pilot may trade sick leave at the rate of one (1) month of coverage for each ten (10) TFP accrued. If the pilot does not have sufficient sick leave to purchase coverage to Medicare eligibility age or age sixty-seven (67), whichever occurs first, the pilot may purchase such coverage by payment of the rates outlined below. The pilot and his eligible dependents must agree to forego COBRA coverage during this period.
  - i. A pilot who has ten (10) or more years of credited service with the Company on the date of retirement shall pay a premium amount equal to the COBRA rate applicable to the Benefits Plus Plan chosen.
  - ii. A pilot who has less than ten (10) years of credited service with the Company on the date of retirement shall pay a premium amount which will not exceed the appropriate age-banded, actuarial-rated, full cost of providing such coverage, applicable to the Benefits Plus Plan chosen.

From the date of his retirement, a pilot retiring hereunder is eligible to continue the medical and dental plan he was enrolled in until the end of the calendar year. Each year thereafter, during the Company's open enrollment period, he will be eligible to elect any medical or dental plan under the Company's Benefits Plus Plans.

c. Coverage of Younger Spouse/Eligible Dependents:

Upon Medicare eligibility age or age sixty-seven (67), whichever occurs first, a pilot with remaining credited sick leave TFP may elect to trade unused credited sick leave for continued coverage under the Company's Medical Plan C and Basic Dental for a spouse under Medicare eligibility age or under age sixty-seven (67) and/or other eligible dependents at the rate of one (1) month's coverage per ten (10) TFP accrued.

If the retired pilot has used all sick leave, such coverage may be purchased for the younger spouse and/or other eligible dependents at the age-banded actuarial cost of coverage for Medical Plan C and Basic Dental. Coverage will end when the spouse reaches Medicare eligibility age or age sixty-seven (67), whichever occurs first.

If a younger spouse receiving such coverage should die thereafter, eligible dependents will be covered until the younger spouse would have reached Medicare eligibility age or age sixty-seven (67), whichever occurs first.

If a pilot dies after retirement, his surviving spouse and/or other eligible dependents will be eligible for continued benefits as if the pilot had survived, provided that such coverage will not continue beyond the surviving spouse's remarriage. If premium payments are required due to lack of sick leave, eligible family members must continue to make the premium payments in order to remain covered.

- d. A pilot or spouse and/or other eligible dependents choosing to purchase Medical Plan C coverage may choose to take, or not take, Basic Dental.
- e. If a pilot dies prior to age sixty-five (65) and would have been eligible for retiree medical and dental benefits under Section 14, the surviving spouse and/or other eligible dependents will be eligible for benefits as if the pilot had chosen to retire before he died, provided that such coverage will not continue beyond the surviving spouse's remarriage. If a surviving spouse receiving such coverage should die thereafter, other eligible dependents will be covered until the spouse would have reached Medicare eligibility age or age sixty-seven (67), whichever occurs first. If premium payments are required due to lack of sick leave, eligible family members must continue to make the premium payments in order to remain covered.

6. Disabled Pilot Medical and Dental

A disabled pilot, his spouse and/or other eligible dependent(s) will have continuous access to health care coverage until the pilot reaches Medicare eligibility age or age sixty-seven (67), whichever occurs first, through the Southwest Airlines Co. Funded Welfare Benefits Plan ("the Company Plan") or its replacement plan (as amended), the Southwest Airlines Co. Supplemental Medical and Dental Plan for Specified Pilots ("the Supplemental Plan") or its replacement plan (as amended) and the Southwest Airlines Co. Medical and Dental Disability Plan for Specified Pilots ("the Pilot VEBA Plan") or its replacement plan (as amended), as follows:

- a. The Company agrees that non-probationary disabled pilots on medical leave may purchase continued health coverage under "the Company Plan", at COBRA rates for sixty-six (66) months after the date on which the pilot became disabled, or sixty (60) months after exhaustion of sick leave (assuming a 100% utilization rate), whichever is later, but not beyond Medicare eligibility age or age sixty-seven (67), whichever occurs first.
- b. The Company agrees to maintain a Voluntary Employee Benefit Association (VEBA) trust at pilot expense to provide continued health care coverage under "the Pilot VEBA Plan" to pilots after exhaustion of the period of coverage under "the Company Plan/Supplemental Plan," as described in Section 14.A.6.a. and up to Medicare eligibility age or age sixty-seven (67), whichever occurs first. Participation will be mandatory for all non-probationary pilots employed by SWA. The rates of funding the VEBA will be actuarially determined, approved by the Plan administrative committee, and payroll deducted from the pilot. The disabled pilot may be required to pay premiums to the "Pilot VEBA Plan" for coverage up to Medicare eligibility age. Premiums will be actuarially determined and approved by the Plan administrative committee.
- c. The surviving spouse and/or eligible dependent(s) of a medically retired pilot will be allowed their same access which would have been afforded the pilot had he lived to Medicare eligibility age, provided the surviving spouse and/or eligible dependent(s) continues to pay the applicable rates. The spouse's coverage terminates upon remarriage.
- d. A disabled pilot entitled to receive continued health care benefits under Section 14.A.6. above may elect coverage under Medical Plan C and Basic Dental upon enrollment into the Pilot's Supplemental Medical and Dental Disability Plan (the "Supplemental Plan"), in which case no premium would be charged during the period of coverage under the Plan. A surviving spouse and/or other eligible dependents entitled to receive benefits under the Plan could exercise the same choice.

- e. If a disabled pilot who would be eligible to enter the Supplemental Plan upon completion of the COBRA period dies during the COBRA period, the surviving spouse may elect to enter the Supplemental Plan on the same basis as the pilot, had the pilot lived. Coverage under either plan will not continue beyond the surviving spouse's remarriage.
- f. All of the above plans require Coordination of Benefits (COB) with Medicare. Each plan should be referenced for specific details.
- g. The Company and the Association have mutually agreed to transition the Pilot VEBA Plan and its accompanying trust from the Company to the Association. Upon the effective date of this transition, the requirements of this Section 14.A.6. that relate to the Pilot VEBA Plan and its accompanying trust shall no longer be in effect.

#### 7. Medicare Part B Insurance

Prior to Medicare eligibility age, required pilot/spousal Medicare Part B premiums will continue to be deducted from any SWA healthcare premium required for coverage under Section 14.A.5. or 14.A.6.

### B. LOSS OF LICENSE

All pilots who have completed one (1) year of service are covered by the Southwest Airlines Company Loss of License Plan for Pilots effective date August 19, 2002, as amended, filed with the Company and the Association. The Plan will be provided to each crew member upon request.

- 1. The Southwest Airlines Co. Loss of License Plan will be maintained to provide the following:
  - a. Coverage of the lesser of sixty percent (60%) of Monthly Base Earnings (as defined in the Loss of License Plan) or eleven thousand five hundred dollars (\$11,500).
  - b. Up to eighteen (18) total months of benefits for loss of license due to Alcohol/Chemical and Mental Health issues. There may be multiple events aggregating eighteen (18) total months.
  - c. Article V, Pre-Existing Conditions, shall remain deleted from the Loss of License Plan.
  - d. Continuation of benefits beyond the maximum benefit period, up to age sixty (60), if the pilot is ruled disabled (by Social Security standards) at the end of the current Plan benefit period.

- e. Loss of License benefits will be offset by income from primary Social Security benefits.
- 2. The Company agrees to amend the Southwest Airlines Co. Loss of License Plan (Plan) to provide active pilots with an individual, annual election between taxable and nontaxable benefits under the Plan, provided that:
  - a. All administrative issues (tax withholding for pilots on leave, for example) are acceptably resolved, and
  - b. The Company's new payroll system is implemented and configured to administer the annual election.

The Company will work in good faith to complete items 2.a. & b. above as soon as practicable. Upon implementation of the amendment, the Company will maintain the Plan as amended.

- 3. At the pilot's request, a SWAPA Benefits designee may be allowed to participate in the SWA internal review process for denied LOL claims.

#### C. INTERNATIONAL MEDICAL SERVICES

Southwest Airlines will maintain a medical insurance plan that covers all medical expenses incurred by a crew member at an international destination. This insurance plan will pay in a manner that precludes the crew member from having to make any payment at the international destination. The insurance will include coverage to repatriate the crew member by any means necessary, should he be unable to travel as a crew member or passenger on a Southwest flight returning him to his domicile. This insurance will be separate from any medical insurance the crew member maintains for his own personal use.

## **SECTION 15: INVESTIGATION AND DISCIPLINE**

### **A. PRELIMINARY MATTERS**

1. Disciplinary action or other derogatory material placed in a non-probationary pilot's Flight Operations Domicile Personnel File may be grieved.
2. Verbal counseling and Letters of Counseling do not constitute disciplinary action and may not be grieved.
3. The Company will adhere to the concept of "progressive discipline" in dealing with pilots. The goal is to modify the behavior of pilots to acceptable standards and retain them as productive employees. However, the Company retains the right to proceed directly to termination on a first occurrence if just cause for termination exists.
4. Standards for Discipline
  - a. The discipline standard for non-probationary pilots shall be "just cause."
  - b. Probationary pilots shall be considered to be employed on an "at will" basis for purposes of administering and reviewing discipline. Discipline or termination of a probationary pilot may not be grieved.

### **B. DOCUMENTATION**

1. A pilot will not be disciplined without written notification at the time of such action.
2. No written material relating to discipline or other derogatory material may be placed in the pilot's Flight Operations Domicile Personnel File until it has been reviewed with the pilot. The pilot will be asked to acknowledge in writing that the material has been reviewed with him. By such an acknowledgement, the pilot is in no way admitting fault. A pilot's refusal to so acknowledge may be witnessed and noted on the document.
3. A pilot shall have the right to respond in writing to disciplinary or other derogatory material in his Flight Operations Domicile Personnel File, and a copy of the response will be placed in his Flight Operations Domicile Personnel File.
4. A pilot may examine his Flight Operations Domicile Personnel File on any business day during normal business hours with adequate notice to his Chief Pilot. A pilot shall be given a copy of any document in his Flight Operations Domicile Personnel File upon request. Upon request to the Domicile Chief Pilot, a pilot may view his Pull Sheet history; seek corrections, if any; or have his objections duly noted.

#### C. CONSIDERATION OF PRIOR DISCIPLINARY ACTION

1. A record of reprimand, suspension or discipline may be considered in assessing future discipline involving similar misconduct for up to two (2) years. Any record of reprimand, suspension or discipline will not be used thereafter in the assessment of discipline against that pilot.
2. After the two (2) year period, the record of reprimand, suspension or discipline shall be removed and destroyed; with the exception that one (1) copy may be maintained by Company Legal for the exclusive and limited purposes of complying with governmental record keeping requirements, defending itself against future litigation by third parties, and, in a System Board of Adjustment grievance filed by the pilot, impeaching any direct testimony offered by the pilot at the hearing. SWAPA shall be entitled to a copy of these records for the purpose of a System Board of Adjustment or Arbitration. Except for the impeachment purposes provided above, no reference to the expired discipline, in any format, shall be made in the System Board of Adjustment proceeding.

#### D. INVESTIGATION PROCESS

1. A pilot is entitled, upon request, to Association representation at a Company investigatory interview/meeting that may reasonably result in discipline.
2. If a pilot is removed from flying during an investigation, he will suffer no loss of pay or benefits prior to any disciplinary action being taken. During an investigation, the Company shall provide him with travel to and from any disciplinary interview/meeting, if necessary.
3. A pilot that is Company Convenience (CC) pulled will be guaranteed the greater of:
  - a. TFP removed from the pilot's board at the time of the trip pull; or
  - b. The bid line average on a prorated basis; or
  - c. The average trips paid for the previous six (6) bid periods prior to being removed from flight status, on a prorated basis. If the six (6) month calculation is used to determine pay, the high and low months will be dropped and the four (4) remaining months will be averaged to determine a daily credit value. If a full six (6) month look back is unavailable due to un-flown months, only the full months flown will be averaged.
4. Investigation will not be complete without a pilot being afforded the opportunity for a meeting with the Chief Pilot, Assistant Chief Pilot or designee who is on the SWA Master Pilot Seniority List. The purpose of the meeting is to allow the pilot to be advised of and respond to the allegations against him. The notice of such meeting

shall summarize the date(s) and event(s) and allegations in question and be provided to the pilot and the Association in writing.

5. If requested by the pilot or the Association, the Company shall produce documentary information (including written witness statements and information in electronic format), known and in its possession.
6. The pilot shall be afforded the opportunity to respond to information described above before a decision is rendered. If necessary, the meeting shall be recessed for a reasonable period of time in order to provide the pilot with adequate time to prepare and/or respond.
7. If a pilot is unavailable due to his arrest and detainment by government officials, the Company shall notify the Association, and shall take reasonable steps to notify the pilot of the meeting and to accommodate his participation to the extent permitted under the circumstances. Such accommodation may include the opportunity for the pilot to submit his written statement for consideration at the meeting. After those prerequisites have been met, the pilot's unavailability shall not prevent the Company from proceeding with disciplinary action.

#### E. ADMINISTRATION OF DISCIPLINE

1. Discipline will be administered by the Chief Pilot, Assistant Chief Pilot or designee who is on the SWA Master Pilot Seniority List in a meeting with the pilot. The Association has the right to be present at this meeting. If circumstances will not reasonably permit a meeting with the pilot, written notice of the discipline will be mailed or delivered to the pilot at his last known address. The decision shall state the discipline and specific grounds for that discipline. A copy of such written notice of discipline will be provided to the Association upon request.
2. Once discipline has been administered, a pilot will not be subject to additional discipline based on the same event or occurrence.
3. Last Chance Letters
  - a. The Vice President of Flight Operations may offer a terminated pilot a last chance letter as a basis for reinstatement.

- b. If the pilot rejects the last chance letter, he shall remain terminated and he may appeal to the System Board of Adjustment as provided in Section 17 of this Agreement. The fact that the Company offered a last chance letter shall not be admissible, and shall not be referred to, at the System Board of Adjustment.
  - c. If the pilot accepts the last chance letter, he shall be bound by the terms stated therein.
  - d. After a pilot has served the term of his last chance letter, its use in subsequent proceedings shall be limited as provided in Section 15.C, Consideration of Prior Disciplinary Action, in the same manner as other disciplinary events.
  - e. Last chance letters, whether accepted or rejected, shall be non-precedential and shall be inadmissible and non-referable in disciplinary proceedings involving any other pilot(s).
4. Filing of Grievance

If the pilot or Association disagrees with the decision, the Association may file a grievance in accordance with Section 16 of this Agreement.

## **SECTION 16: GRIEVANCE PROCEDURE**

### **A. GRIEVANCES**

1. Grievances are hereby defined as follows:
  - a. Disputes arising out of the interpretation or application of this Agreement concerning rates of pay, rules or working conditions.
  - b. Disputes arising out of the discipline or termination of a non-probationary pilot by the Company.
2. Any pilot or group of pilots covered by this Agreement, or the Association on behalf of such pilot(s), who has a grievance concerning any action of the Company affecting the pilot(s), shall have such grievance handled in accordance with the following procedures, provided that such grievance is properly and timely filed in the manner set forth below.

### **B. FILING OF GRIEVANCES**

1. Pre-Grievance
  - a. The pilot will first present the issue to his Domicile Chief Pilot or his designee for discussion and/or resolution. The pre-grievance discussion will be held within ten (10) calendar days of either the occurrence of the event upon which the issue is based or when the pilot reasonably would be expected to have knowledge of the event, whichever is later.
    - i. The pilot is entitled, upon request, to Association representation at the pre-grievance discussion.
    - ii. Except for discipline/discharge matters, issues resolved to the pilot's satisfaction at the Chief Pilot level are considered non-precedential and non-referable and shall not be used by either party in future grievances.
    - iii. The Chief Pilot will respond to the pilot within ten (10) calendar days.
    - iv. If the matter is not resolved to the pilot's satisfaction through his Chief Pilot, the pilot may lodge a grievance with the Association within ten (10) calendar days of the Chief Pilot's denial.
  - b. For discipline/discharge matters only, the pilot may skip the pre-grievance process set forth in Section 16.B.1.a., and instead lodge a grievance with the Association within thirty (30) days of the issuance of discipline/discharge.

## 2. Grievance

- a. A grievance shall be filed in writing, through the Association, with the Vice President of Flight Operations within sixty-five (65) days after the pilot or Association acquired knowledge, or reasonably should have acquired knowledge, of the fact(s) or event(s) giving rise to the grievance. A grievance shall contain a statement of the facts and circumstances from which it arises, a citation to the provision(s) of the Agreement that has allegedly been violated and the relief or remedy requested.
3. Notwithstanding the time limitation in Section 16.B.2.a. above, grievances arising out of clerical or bookkeeping errors may be filed within sixty five (65) days following the date on which the pilot or Association acquired actual knowledge of the error, provided the error:
    - a. Does not involve a dispute over the Company's interpretation or application of agreements between the parties hereto; and
    - b. Can be resolved by reference to Company records.

## C. DISCOVERY

1. In response to a request by the other party for specific information, and if known and directly relevant to a grievance, a party shall produce names of witnesses and documentary information (including information in electronic format), but excluding notes except to the extent the notes contain information obtained from and signed or otherwise adopted by a material witness. The party shall produce such information as soon as practical. If necessary, the Section 16.D. grievance hearing shall be delayed or continued for a reasonable period of time in order to provide the parties with adequate time to prepare and/or respond. This paragraph shall not be construed to waive any privilege provided by law that would protect the information from disclosure, including the attorney-client and attorney work product privileges.
2. Upon request to SWA Flight Operations Department, SWAPA will be granted access to records older than two (2) years and maintained solely by the General Counsel's office for purposes of comparing past discipline to the present case.

#### D. HEARING WITH VICE PRESIDENT

1. The Vice President of Flight Operations, or his designee, shall conduct a hearing to review the facts of the case and, if possible, resolve the dispute. The Association and the Company will meet no less than monthly to discuss all open grievances.
2. A pilot shall be entitled to Association representation, or the pilot may elect to be represented by another pilot on the SWA Master Pilot Seniority List, at any such hearing.
3. The Association has the right to be present during any such hearing.
4. Within thirty (30) days of receipt of a grievance, the Vice President of Flight Operations, or his designee, shall issue his decision in writing to the grievant(s) and the Association. In the decision, the Vice President or his designee shall state the grounds for the decision. For a decision involving discipline, the decision shall state the discipline and specific grounds for that discipline.

#### E. APPEAL OF DECISION

If the decision of the Vice President of Flight Operations, or his designee, is not satisfactory to the Association, such decision may be appealed by the Association to the System Board of Adjustment in the manner set forth in Section 17. Such appeal shall be in writing and shall be filed within thirty (30) days following the date on which the Association received the decision.

#### F. GENERAL

1. Time Limits
  - a. Time limits and meeting dates set forth in this Section may be modified, orally or in writing, by mutual agreement of the parties. Oral agreements shall be confirmed in writing as soon as practicable. Reasonable requests for modifications shall not be denied.
  - b. When any hearing or appeal afforded a pilot(s) by this Section is not requested within the respective time limits prescribed herein, including any extension mutually agreed upon, the decision of the Company shall be final and binding.
  - c. If the Company fails to schedule or conduct a hearing in a timely manner, or to issue a timely decision as required by this Section, the grievance shall be deemed "denied" on the deadline for the hearing or decision and be appealed to the next step in the grievance process.

- d. In the event a termination is grieved, insurance benefits will continue until the System Board of Adjustment renders a final decision. Should the termination be upheld, these benefits will continue for thirty (30) days after the decision is rendered.
2. For purposes of Section 16, the term "day" means calendar day. However, if the last day of a time limit falls on a weekend, a Company or a SWAPA Holiday (currently including New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day and the following Friday, Christmas, or the day on which such holiday is observed by the Company or SWAPA), the time limit shall be extended through the first business day following that weekend or holiday. The parties shall inform each other expeditiously of any changes in Company or SWAPA holidays.
3. Delivery of all decisions, notices, and appeals pursuant to this Section shall be made by certified mail, return receipt requested, in person or by other methods which provide verification of receipt.
4. The Company shall release from duty the grievant(s) and a reasonable number of witnesses and Association representative(s) for a Section 16.D. Hearing. Expenses and flight pay loss, if any, for line pilot witnesses called by any party, shall be borne by the party who called the witness. A pilot participating as a witness or representative in a Section 16.D. Hearing shall be issued an authorized Must Ride Pass to prepare for and attend such hearing, and a [must ride pass](#) to return from such hearing.



## **SECTION 17: MEDIATION AND SYSTEM BOARD OF ADJUSTMENT**

### **A. MEDIATION**

1. Grievances may be selected for mediation at any time by mutual agreement of the Company, the Association and the grievant(s).
2. Mediation will take place in Dallas, Texas unless the parties agree otherwise.
3. Representatives of the parties at mediation shall have full and complete authority to reach a final and binding settlement of the grievance.
4. The selection of the mediator shall follow a procedure to be mutually agreed upon by the Company and the Association. The mediator's fee and cost of the mediation meeting site shall be borne equally by the Company and Association.
5. Attendance at mediation will be limited to only those people actually involved in the mediation process unless there is prior mutual agreement to allow observers.
6. Proceedings in mediation will be informal in nature and the rules of evidence shall not apply. The parties may present such facts, evidence and arguments as they wish to the mediator. The presentation of evidence, arguments, documentation, etc. will not be limited to that which was presented at the prior stages of the grievance process.
7. During mediation, the mediator will have the authority to meet separately with either the Association or the Company, but will not have the authority to compel the resolution of the grievance.
8. Any settlement reached during mediation shall be reduced to writing and signed by the parties. The parties shall mutually agree as to whether the settlement will constitute precedent and this understanding will be included in the written settlement document.
9. If no settlement is reached during mediation, the grievance may be heard by the System Board of Adjustment pursuant to this Section of the Agreement, provided the grievance was filed and appealed in a timely manner and is within the jurisdiction of the System Board of Adjustment.
10. In the event a grievance that has been the subject of mediation is subsequently heard before the System Board of Adjustment, the mediator may not serve as the arbitrator.

11. No formal record of the mediation session will be made. Statements made during the mediation shall not be admissible in any subsequent proceeding, including the System Board of Adjustment.

## B. SYSTEM BOARD OF ADJUSTMENT

### 1. Establishment:

- a. In compliance with the Railway Labor Act, as amended, the parties have established the Southwest Airlines Pilots' System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and which are properly submitted to it.
- b. The System Board of Adjustment may be constituted as either a Four (4) Member Board or a Five (5) Member Board. All grievances properly submitted to the Board will be heard by a Four (4) Member Board, unless:
  - i. For a contractual matter, the Company and Association mutually agree to proceed directly to a Five (5) Member Board; or
  - ii. For a discipline matter, either the Company or Association requests to proceed directly to a Five (5) Member Board.
- c. The System Board of Adjustment will take place in Dallas, Texas unless the parties agree otherwise.

### 2. Membership:

- a. A Four (4) Member System Board shall consist of four (4) members, two (2) selected and appointed by the President of the Association, and two (2) selected and appointed by the Company. The Chairperson will alternate between the Association and the Company.
- b. A Five (5) Member System Board shall consist of five (5) members, two (2) selected and appointed by the President of the Association, two (2) selected and appointed by the Company, and a neutral arbitrator.

For a Five (5) Member System Board, the parties shall select an arbitrator by mutual agreement as provided for in this Section. The arbitrator so selected shall serve as that System Board's Chairperson.

3. Selection of an arbitrator:

A neutral arbitrator will be selected by mutual agreement of the Company and Association. If the Company and the Association are unable to agree upon an arbitrator, either party may request a list of not less than seven (7) arbitrators from the National Mediation Board. If the Company and Association are unable to agree upon an arbitrator on the list, they shall alternately strike names on the list until one (1) arbitrator remains who shall serve as arbitrator in the case. The Company and the Association will alternate to determine which party has the first strike.

C. JURISDICTION

1. Unless the Parties mutually agree otherwise, the System Board shall not have jurisdiction over disputes that have not been timely and properly presented and appealed as grievances under Section 16 of this Agreement.
2. The System Board's jurisdiction is limited to the interpretation and application of the parties' Agreement, and the System Board shall not have jurisdiction to alter the terms and provisions of the parties' Agreement.

D. SUBMISSION OF DISPUTES

All petitions properly referred to the System Board for hearing shall be served upon the Company and the Association, including all papers and exhibits in connection therewith. The case shall be promptly docketed. Each case submitted shall include a System Board Petition containing:

1. Statement of the issue or issues to be decided;
2. Specific provisions of the Agreement claimed to have been violated;
3. Statement of facts;
4. Position of party or parties submitting appeal;
5. Position of other party or parties;
6. Specific reasons for their positions;
7. List of persons each party intends to call as witnesses;
8. List of exhibits each party intends to introduce at the System Board hearing; and
9. Remedy requested.

When possible, joint submissions should be made. Upon the moving party's submission to the System Board, the non-moving party shall either join in the moving party's submission or it must provide its separate submission to the moving party no later than fourteen (14) days after receipt of the moving party's submission to the System Board. The non-moving party must submit a separate submission during this period; otherwise the arbitrator, in the case of a Five (5) Member System Board, or the System Board members, in the case of a Four (4) Member System Board, will be notified of the non-moving party's failure to submit and of the importance of a timely submission to the System Board.

#### E. REPRESENTATION

Both the Association and the Company may permit employees covered by this Agreement to be represented at Board hearings by such person(s) as they may choose and designate. In any case, if a pilot does not wish to have Association representation, the Association reserves the right to have a representative participate in the Board hearings.

#### F. DISCOVERY

Upon written request, a Party shall, within thirty (30) days following receipt of such request, identify documents which it reasonably believes contain information relevant to the grievance pending before the System Board. Upon written request, a Party shall, within thirty (30) days following receipt of such request, identify persons whom it reasonably believes have firsthand knowledge of the facts relevant to the grievance pending before the System Board. Nothing contained herein shall require disclosure of information and/or material that is confidential, proprietary or protected by privilege, e.g. the attorney-client or attorney work product privileges.

#### G. BOARD PROCEEDINGS

1. No later than fourteen (14) days prior to the date set for the hearing, the parties must exchange copies of all materials (e.g. documents, photographs, electronic evidence, etc.) that they intend to introduce in evidence in support of their respective positions and make available, in writing, the names of all persons they intend to call as witnesses. Nothing herein shall require either party to introduce such documents or call such witnesses during the course of the hearing. No party shall be restricted from introducing documents or calling witnesses that become known, or whose relevance becomes apparent, subsequent to the fourteen (14) day exchange, provided timely notice is given to the opposing party. To the extent a party fails to disclose a document(s) or witness(es) pursuant to the above and seeks to introduce the evidence as direct or rebuttal evidence during the course of the hearing, the System Board and/or arbitrator, may take such action as appropriate to ensure that:

- a. The other party is not prejudiced by the late disclosure of the document(s) or witness(es);
- b. The proceedings are not unduly delayed; or
- c. Additional excessive expense is not incurred.

Nothing contained herein shall prevent a Party from introducing undisclosed documents or calling undisclosed witnesses for the purpose of impeachment.

2. The number of witnesses summoned at any one time shall not be greater than the number which can be spared from the operations without interference with the services of the Company.
3. Unless waived, each party has the right to make a closing oral argument at the conclusion of the presentation of evidence.

#### H. MAJORITY DECISION IS FINAL

All decisions of the Board shall be made by majority vote. Decisions of the Board in all cases properly referred to it shall be final and binding upon the parties. Each member of the System Board shall have one (1) vote. The neutral arbitrator's vote shall be counted last and only entered into the record in order to resolve a deadlock between the Company and Association appointed members. No member may refuse to vote in order to prevent a decision from being rendered. Each member of the Board shall sign the decision.

#### I. DEADLOCK

If a deadlock occurs in a case properly submitted to a Four (4) Member System Board, it shall be the duty of the Board to endeavor to reach a decision. In the event that the deadlock cannot be resolved or if a majority is not reached, then the grieving party shall have the right to appeal to the Five (5) Member System Board of Adjustment within thirty (30) days from the date the case is declared deadlocked. Failure to give timely notice will constitute withdrawal of the grievance.

#### J. RECORDS

Unless otherwise agreed by the parties, a stenographic record of the hearings will be taken. The Board shall maintain a complete record of all matters submitted to it for its consideration, and all findings made by it.

#### K. EXPENSES

1. The Association and the Company shall equally share the fees and expenses of the arbitrator.
2. Each of the parties shall equally share the expenses incurred by the court reporter in preparing the transcript of the hearing.
3. Each of the parties shall equally share expenses incurred to secure meeting rooms for hearings at locations other than at the headquarters of the Association or the Company.
4. Each of the parties will assume the compensation, travel expense, and other expenses of the Board members selected by the respective parties.
5. Board members who are employees of the Company shall be granted necessary leaves of absence for performance of their duties as Board members. A pilot participating as a witness, representative, or Board member shall be issued an authorized Must Ride Pass to prepare for and attend such hearing, and must ride pass to return from such hearing.
6. Each of the parties will assume the compensation and expenses of the witnesses called by the respective party.

#### L. FREEDOM TO DISCHARGE DUTIES

It is understood that each System Board member shall be free to discharge his or her duties as a Board member in an independent manner, without fear of retaliation or coercion by the Association or Company.

## SECTION 18: STANDARDIZATION

### A. CHECK AIRMEN

Check Airmen are pilots with Southwest Airlines with the full protection that is offered to all pilots from the Southwest Airlines Pilots' Association. These pilots are selected as Check Airmen by the Company to perform this additional duty.

1. Check Airmen will be paid not less than seven (7.0) TFP per month above their normal Captain's pay as earned for on-line trips, charters and other flying for performing the duties assigned.
2. Line checks will be paid at standard or non-standard trip rates as the applicable TFP over the routes on which the line check is performed.
3. Trips or compensation will not be lost because of Check Airmen duties.
4. The compensation for specific duties will be paid in accordance with the August 31, 2016 version of the Check Airmen Guide, and it will not be modified in rates of pay or Compensatory Time Off without the agreement of Southwest Airline Pilots' Association.

### B. PROCEDURES

1. No pilot will be given an Evaluation Event by any Check Airman not on the Master Pilot Seniority List and who has not accumulated at least one thousand five hundred (1,500) hours of pilot-in-command time and two (2) years operating experience as a Captain on the Southwest Airlines Master Pilot Seniority List.
2. Should a pilot, through the course of Simulator Evaluation Events or line events, be subject to the Remedial Training Program (or its AQP equivalent), any final Evaluation Event prior to review by Flight Operations Leadership will be performed by a Check Airman on the Master Pilot Seniority List. In the event that additional training or another Evaluation Event (e.g. a re-check) is required, both the pilot and the Association must be notified not less than twenty-four (24) hours in advance of any such additional training or Evaluation Event.
3. After a failure, certificate action, or termination a pilot may request that a neutral observer be present for the Simulator Evaluation Event. The neutral observer will be chosen from a list of pilots mutually agreed upon by the Vice-President of Flight Operations and the Association. This list will be reviewed and updated annually, and no observer on the list will be used prior to receiving, at a minimum, training in check ride procedures and required standards.
4. Pilots are encouraged to submit evaluations of Check Airmen performance to their Chief Pilot or Standards Management.



## SECTION 19: RETIREMENT

### A. SOUTHWEST AIRLINES PROFIT SHARING PLAN

1. It is recognized that the pilots of Southwest Airlines depend on the Southwest Airlines Co. Profit Sharing Plan (referred to in this Section 19 as the "Profit Sharing Plan") to provide for a portion of the pilots' retirement program.
2. Should the Southwest Airlines Board of Directors take action to terminate or modify the Company contribution provisions of the Profit Sharing Plan, this Agreement will be reopened for the limited purpose of negotiating a plan to replace the Profit Sharing Plan or modify the SWAPA 401(k) Plan. Until such modifications are implemented, the pre-existing formula for pilots shall continue.
3. Any profit sharing on a pilot's eligible annual compensation will be deferred to the Profit Sharing Plan until the total amount of such deferrals reaches the SWAPA Board of Directors selected "Profit Sharing Deferral Percentage." The Association will notify the Company of such selection prior to the beginning of the Profit Sharing Plan year. In the absence of a notification, the Profit Sharing Deferral Percentage will be the prior year's selection.

The Profit Sharing Deferral Percentage will be one of the following levels:

- a. 5.0%
- b. 7.5%
- c. 10.0%
- d. The actual profit sharing percentage calculated by the Company for the Plan year.

If the actual Profit Sharing percentage calculated by the Company for the Plan year is less than the selected Profit Sharing Deferral Percentage, Profit Sharing will be the actual Profit Sharing percentage calculated by the Company, and it will all be deferred to the Profit Sharing Plan.

Any profit sharing in excess of the selected Profit Sharing Deferral Percentage will be paid to pilots in cash and be subject to applicable withholding. These cash distributions will not be considered eligible compensation for purposes of the Profit Sharing or 401(k) Plans.

4. Should the investment options available in the Profit Sharing Plan be reduced to fewer than the number and type of funds available in the Profit Sharing Plan as of the date of ratification of this Agreement, the Company will, upon request, report the reasons for such reductions to the Association. In such case, the Association may present to the Profit Sharing Plan administrator its recommendations as to number and type of funds available in the Profit Sharing Plan.
5. The Company will maintain telephone and/or electronic/web access to the Profit Sharing Plan, such access to include but not be limited to fund balance, fund transfer, etc.
6. When a pilot reaches age fifty-nine and one-half (59½), the Company will allow him to wire (electronic transfer) vested money from his Profit Sharing Plan account into his Southwest Airlines Pilots 401(k) account once per calendar year.
7. Profit sharing payments under this paragraph on earnings in excess of 401(a)(17) limits for each pilot shall equal the total amount of such excess earnings times the Profit Sharing percentage applicable to earnings below the 401(a)(17) limit under the terms of the Profit Sharing Plan. (Note: This paragraph will apply to the 2016 plan year Profit Sharing contribution based on 2016 performance if this agreement is ratified in 2016.) For the 2016 and 2017 plan years, pilots will receive such amounts as cash payments. Starting with the 2018 plan year, pilots may receive such amounts as cash payments or fund the plan as set forth in Section 19.E.

#### B. SWAPA PILOT 401(K) PLAN

1. It is recognized that the pilots of Southwest Airlines depend on Southwest Airlines Pilots 401(k) Plan (referred to in this Section 19 as the "401(k) Plan") to provide for a significant portion of the pilots' retirement program.
2. The Company will make a direct Non-Elective Contribution (an "NEC") for each pilot to the 401(k) Plan. This NEC will be one hundred (100%) percent vested. The Company consents to this becoming a safe harbor NEC as soon as administratively possible. The Company will contribute a percentage of the pilot's eligible compensation as follows, effective as of:
  - i. 1/1/2017: 13.4%
  - ii. 1/1/2018: 14.2%
  - iii. 1/1/2019: 15.0%

NECs on amounts that are in excess of the limits under Section 401(a)(17) of the Internal Revenue Code will be received as set forth in Section 19.E.

The pilot will receive a nine and three tenths percent (9.3%) NEC on compensation for the period 10/1/2016 through 12/31/2016, less any Company match received on the same compensation.

The Company matching contributions will continue in the 401(k) Plan through December 31, 2016 at the same rate as in effect in the prior collective bargaining agreement. Effective as of January 1, 2017, the 401(k) Plan will not offer matching contributions on each pilot's contribution to the 401(k) Plan.

3. At any time prior to July 1, 2020, the Association may elect, on an irrevocable basis, to amend the Agreement, effective January 1, 2021, (i) to increase the percentage of NEC contributed on behalf of each pilot to the 401(k) Plan in Section 19.B.2 by one percent (1%) from fifteen percent (15%) to sixteen percent (16%), and (ii) to change all equipment longevity pay rates in Section 4.C.2 to equal the October 1, 2019 equipment longevity pay rates increased by two percent (2%).
4. The Company will make the required NEC each pay period (for amounts up to the 401(a)(17) limit) and true-up at least annually for any compensation adjustments and USERRA deemed compensation, as required by law.
5. The Company will agree to allow new hire admission for the purposes of salary deferrals (on the first day of the quarter following date of hire) to the existing 401(k) Plan. New hire pilots will receive NECs on the same basis as for other Southwest pilots from the date of hire.
6. The Company will maintain a Roth 401(k) Plan contribution option in the current 401(k) Plan. The investment options will mirror the 401(k) Plan options for pre-tax contributions.
7. The Association shall administer the 401(k) Plan.
8. 401(k) Plan investment fund options shall be as determined by the Association.
9. The 401(k) Plan document will permit the Association to operate a self-directed brokerage account, and determine the percentage of assets each pilot will be allowed to invest in the self-directed brokerage account, subject only to the Association's fiduciary responsibilities to the Plan and Plan participants.
10. A pilot may change his/her investment options as determined by the Association. The Association will be responsible for ensuring that pilots have access to the 401(k) Plan, such access to include, but not limited to, fund balance and fund transfer through telephone and/or electronic/web.

11. Loans from the 401(k) Plan will be available. Loan terms shall be as stated in the 401(k) Plan.
12. Ratification Bonus payments listed in Section 4.3 of the Ratification Bonus Letter of Agreement (LOA) shall be eligible compensation for Section 19.B.2 and receive a 9.3% NEC as set forth in the Ratification Bonus Letter of Agreement.

#### C. TOP HAT PLAN

1. The Company will maintain a "Top Hat Plan" whereby a pilot with pilot earnings in the eligibility year in an amount to be determined by the Association and the Company, but in no event less than one hundred sixty thousand dollars (\$160,000), may elect to defer a portion of his compensation (up to twelve thousand five hundred dollars (\$12,500) for pilots under age fifty (50); up to twenty-five thousand dollars (\$25,000) for pilots ages fifty (50) to fifty-five (55); up to fifty thousand dollars (\$50,000) for pilots over age fifty-five (55)) to be paid out at a later time. The plan will incorporate the 415 Excess Plan investment options and rabbi trust provisions.
2. Participants will be one hundred percent (100%) vested in all contributions and earnings in the Top Hat Plan from the date of participation.
3. The Top Hat Plan will also hold any Company Profit Sharing Plan and 401(k) Plan contribution make-up amounts due to a pilot's Top Hat deferral, in accordance with the current plan.

#### D. 415 Excess Plan

1. The Company will maintain a tax-deferred "415-Excess Plan," by which Employees may elect to defer receipt of contributions in excess of the amounts allowed by Section 415 of Internal Revenue Code to be contributed to a qualified retirement plan.
2. Under the 415-Excess Plan, the Company will place contributions designated for equity investment in a tax-deferred rabbi trust, with investment elections to include but not be limited to a selection of at least three (3) Target Date funds.
3. Contributions in excess of 415(c) limits paid in cash will not be considered eligible compensation for purposes of the Profit Sharing Plan or the 401(k) Plan.

#### E. 401(a)(17) Plan

1. In accordance with Sections 19.A.7 and 19.B.2, Profit Sharing and 401(k) NEC amounts paid on earnings in excess of 401(a)(17) limits will be contributed to the 401(a)(17) Plan or paid in cash as set forth in Section 19.E.2. below. These cash payments will not be considered eligible compensation for purposes of the Profit Sharing or 401(k) Plans.

2. The Company will maintain a tax-deferred “401(a)(17) Plan,” incorporating the 415 Excess Plan investment options and rabbi trust provisions. Participants will be one hundred (100) percent vested in all contributions and earnings in the 401(a)(17) Plan from the date of participation. Pilots will receive such amounts as follows:
  - a. For the 2016 plan year:
    - i. Amounts earned under Section 19.B.2 of the Agreement between the Association and the Company that became amendable as of 2012 will fund the 401(a)(17) Plan as contemplated by such Section.
    - ii. Pilots will receive all other amounts as cash payments.
  - b. For the 2017 plan year, pilots will receive all such amounts in cash.
  - c. Starting with the 2018 plan year, pilots may elect annually to receive such amounts as cash payments or fund the plan set forth in this Section 19.E. If no election is made the pilot will receive all such amounts in cash.



## **SECTION 20: PHYSICAL EXAMINATION**

### **A. STANDARDS**

1. The physical standards required of a pilot will be the standards established by the FAA, by statute, or other applicable governmental regulation. In the event of a change in the method of medical certification or standards, the provisions of this Agreement may be reopened upon request of either party for the limited purpose of renegotiating with respect to the provisions of this Section.
2. The Company will accept any medical waiver (statement of demonstrated ability or similar) issued by the Federal Aviation Administration that allows a pilot to hold the required class of medical certificate.
3. If a pilot cannot maintain the class of medical certificate the FAA, by statute, or other applicable government regulation, requires of him in his current status, he must notify the Company immediately. Thereafter, such pilot will be permitted to bid only vacancies in a status where his seniority and his medical certificate under the Federal Air Regulations, by statute, or other applicable government regulation, will permit him to hold.
4. Physical Examination Reimbursement
  - a. Pilots will receive an allowance to offset the cost of flight physical examinations completed in 2016. This allowance will be included automatically in the January 20, 2017 paycheck. Required routine and non-routine FAA physicals completed on or before December 31, 2016 will be reimbursed as follows:
    - i. Each Captain/Captain-qualified First Officer, qualified or in upgrade training as of December 31, and each First Officer sixty (60) years old or older on December 31 and bidding as a First Officer, will receive an allowance of two hundred dollars (\$200.00) per year (two (2) examinations x one hundred dollars (\$100) per flight physical examination).
    - ii. Each First Officer who has not yet entered upgrade training and is designated a First Officer for bid purposes will receive an annual allowance of one hundred dollars (\$100.00).
    - iii. In addition, each pilot who has reached, or will reach his/her fortieth (40<sup>th</sup>) birthday on or before December 31, will receive an annual allowance of fifty dollars (\$50.00) for the required annual EKG.
    - iv. Each pilot who reaches his/her thirty fifth (35<sup>th</sup>) birthday during the look-back year will receive an additional allowance of fifty dollars (\$50.00) for the baseline EKG requirement.

- b. Required routine and non-routine FAA physicals completed on or after January 1, 2017, will be reimbursed as follows:
  - i. Each pilot will receive a reimbursement not to exceed one hundred twenty dollars (\$120.00) per required flight physical (i.e. actual cost of each examination will be reimbursed up to one hundred twenty dollars (\$120).
  - ii. In addition, each pilot who has reached his/her fortieth (40<sup>th</sup>) birthday will receive a reimbursement not to exceed fifty dollars (\$50.00) for the required annual EKG.
  - iii. Each pilot who reaches his/her thirty fifth (35<sup>th</sup>) birthday will receive a reimbursement not to exceed fifty dollars (\$50.00) for the baseline EKG requirement.
  - iv. Should the EKG requirements be modified by the FAA, the above reimbursement will be modified accordingly.
  - v. In order to receive reimbursement, a pilot must complete and submit an expense reimbursement form provided on SWALife.com.

## B. FITNESS FOR DUTY

If the Company has reasonable cause to question a pilot's ability to safely perform his duties, he may be required, at the Company's expense, to undergo an examination reasonably related to the Company's cause for concern, by a medical doctor with relevant expertise, chosen by the pilot. The Company shall state in writing the specific reason for the examination. The Association will be immediately notified by the Vice-President of Flight Operations of any decision to send a pilot to such an exam.

A pilot will not be required to report for a Fitness for Duty Exam without first being afforded the opportunity to meet with his Chief Pilot, Assistant Chief Pilot, or Designee who is on the SWA Master Pilot Seniority List. If the pilot so chooses, he may be accompanied by a SWAPA Representative during the meeting.

### 1. GENERAL

The Company and the pilot shall receive a report of any medical doctor's findings. This report shall state any duty limitations or a statement of fitness for duty, not diagnoses or results. No diagnosis or results will be given to the Company. Any record pertaining to such examination(s) shall be maintained in a confidential file separate from other personnel records and will be limited in scope as described below. The information gained through the examinations and/or treatments of an examining medical doctor shall be kept inviolate as "privileged communications" and no part of such examinations, treatments, or records shall be disseminated to any

individual, agency, or any other entity without the expressed written consent of the pilot or except as required by law.

## 2. PAY AND CREDIT

- a. The cost of the examination will be paid by the Company to include necessary hotel accommodations and expenses in accordance with Section 4.T. A pilot will be entitled to make must ride reservations to and from the examination from the pilot's domicile or Southwest commuter city.
- b. A pilot will be removed from flight status with pay until the fitness for duty examination is complete and determination of fitness for duty is made.
- c. If the pilot is deemed fit for duty, he will be returned to his scheduled line flying. If the pilot is deemed unfit for duty, the pilot will begin to use accrued sick leave or any other mechanism provided. The pilot will make a reasonable effort to schedule such examination in a timely manner.
- d. If the pilot has been withheld from service involuntarily by the Company and is found to be fit for duty, he will be made whole for all lost compensation, lost benefits, and reasonable expenses incurred as a result of being removed from flying. Any pay lost will be reimbursed by the Company with no reduction to the pilot's Sick Leave Account.
- e. To determine lost compensation, the pilot will be guaranteed the greater of:
  - i. TFP removed from the pilot's board at the time of the trip pull; or
  - ii. The bid line average on a prorated basis; or
  - iii. The average trips paid for the previous six (6) bid periods prior to being removed from flight status, on a prorated basis. If the six (6) month calculation is used to determine pay, the high and low months will be dropped and the four (4) remaining months will be averaged to determine a daily credit value. If a full six (6) month look back is unavailable due to un-flown months, only the full months flown will be averaged.



## **SECTION 21: TRANSFER TO SUPERVISORY DUTY**

### **A. TRANSFER**

1. A pilot transferred to supervisory duty will retain and continue to accrue seniority and longevity.
2. When a pilot is transferred to supervisory duty on account of sickness or injury, or becomes sick or injured while on such supervisory duty, that pilot will retain and continue to accrue seniority and longevity during such period of sickness or injury whether or not able to maintain his medical certificate required for the pilot's status, until able to return to flying duty or if found to be unfit for such duty for a continuous period of seven (7) years, unless extended by mutual consent of the Company and the Association. Return to flying duty will be subject to a qualifying period of no more than six (6) months.
3. Any dispute arising hereunder concerning the physical fitness of such pilot will be determined in accordance with Section 20, Physical Examination.

### **B. PROCEDURES**

1. Management, supervisory, project pilot, and designated Association representatives may replace a line pilot on his regularly scheduled pairing in order to maintain flight proficiency. The displaced pilot will be paid as though he flew the trips.
2. Assistant Chief Pilots must have at least three (3) years' experience as Southwest Airlines pilots. First Officers who upgrade to Captain while serving in this position must return to line flying and complete at least two (2) years of flying as a Southwest Airlines Captain before returning to any Chief Pilot position. All other supervisors (Chief Pilots or equivalent and above) who have supervisory and disciplinary authority over pilots covered by this Agreement must have flown as a Southwest Airlines Captain for at least two (2) years to be eligible as a supervisor. This provision does not apply to supervisors in Flight Operations who do not have supervisory or disciplinary authority over pilots covered by this Agreement, nor does it apply to corporate officers of Southwest Airlines. "Corporate officers" as used herein refers to persons who hold at least a Vice President or equivalent position with Southwest Airlines.
3. Except for pilots on the Master Pilot Seniority List as of ratification, no pilot may fly as a Captain unless he has completed one (1) year of probation as a First Officer at Southwest Airlines.



## **SECTION 22: REDUCTION IN FORCE, FURLOUGH AND RECALL**

### **A. FURLOUGH**

1. Except as provided in Section 22.A.2.b. of this Agreement, if the Company determines it is necessary to reduce the number of active pilots, the Company shall furlough pilots in reverse order of system seniority as listed on the Master Pilot Seniority List. All pilots holding a seniority number at the time of furlough shall be subject to the provisions of this Section regardless of their employment status at that time (e.g., active flying service, leave of absence, disability, probationary pilots).
2. Reductions in the number of pilots shall be accomplished as follows:
  - a. A pilot shall receive at least thirty (30) calendar days' notice with a copy to the Association prior to the effective date of any furlough. In the event he receives less than thirty (30) days' notice, he shall be pay protected for thirty (30) days in lieu of that notice.
  - b. Prior to the issuance of furlough notices, the Company may offer voluntary furloughs. Voluntary furloughs shall be granted in order of system seniority. The Company shall make its best effort to provide pilots at least thirty (30) calendar days' notice of the offer of voluntary furloughs, with a copy to the Association.
3. A pilot who is on furlough shall file with the Company his current mailing address to be used in the event of recall. A pilot shall advise that Company department in writing of any change to his address.
4. A furloughed pilot shall retain all longevity and seniority accrued prior to furlough and shall continue to accrue longevity for a period of three (3) years. A furloughed pilot shall retain and continue to accrue seniority for a period of ten (10) continuous years.
5. A furloughed pilot shall retain his sick and OJI banks.
6. A furloughed pilot shall be compensated for any earned and accrued vacation that is unused as of the date of furlough.
7. The continuation of a pilot's benefits beyond his furlough date shall be governed by applicable state or federal laws except that a pilot shall continue to be eligible for Company-related insurance programs for a period of five (5) months. After this time, the pilot will be allowed to pay premiums at the applicable COBRA rate for a period of up to eighteen (18) additional months.

8. The Company shall notify the Association in writing if it anticipates a furlough or a recall. Upon written request, the Company shall meet and consult with the Association concerning possible adjustments to provisions of this Agreement that may avoid or mitigate the effects of a furlough.
9. A furloughed pilot shall continue to be eligible for Company jumpseat privileges, as provided in Section 2.L. of this Agreement, for twenty-four (24) months, subject to TSA approval. A furloughed pilot will continue to have access to SWALife, and CWA for twenty-four (24) months. Company job postings are and will be available on SWALife. A furloughed pilot may coordinate with his last flight manager if he desires to apply for any Company positions.
10. A furloughed pilot will retain space available pass privileges on the Company route system for a period of twenty-four (24) months.
11. Recall shall be offered to all pilots on furlough prior to the employment of a new hire pilot.
12. The Company shall not schedule in excess of the contractual work day limits while any pilot is on furlough.

#### B. RECALL

1. Pilots, including pilots who have not completed their probationary period, shall be recalled from furlough in order of system seniority.
2. Furloughed pilots shall be notified of recall in writing with a copy sent to the Association. The notice shall allow the pilot at least thirty (30) days to report for duty. The pilot shall respond in writing within fourteen (14) calendar days following his receipt of the recall notice, and state whether he will accept recall.
3. A pilot recalled from furlough shall be returned to the payroll on the day he resumes active employment. His TFP rate shall be the TFP rate for the crew position to which he has been recalled.
4. If a recalled pilot is unable to return to active flying service due to medical reasons, the following shall apply:
  - a. If the pilot was on disability at the time of furlough, his eligibility for disability benefits shall be governed by Section 14 of this Agreement.

- b. If the pilot was on sick leave at the time of furlough he shall not be entitled to sick leave until after he has returned to an active pay status; provided, however that if the pilot would otherwise be entitled to sick leave based on the same injury or illness that caused him to be on sick leave at the time of furlough, he may re-enter sick leave upon recall.
  - c. If the pilot was not on sick leave at the time of furlough, he shall not be entitled to sick leave until after he has returned to an active pay status.
  - d. If the pilot does not qualify for sick leave or disability, he shall be placed in a medical leave of absence.
  - e. For purposes of Section 3.B.4.f. of this Agreement, a pilot shall be considered as having returned to a flying position.
- 5. A pilot may decline recall and remain on furlough if a junior pilot remains on furlough; provided, however, a pilot may not decline a recall if the Company has sent notice of recall to all furloughed pilots, and the pilot has not requested and been granted a leave of absence in accordance with Section 12 of this Agreement.
  - 6. Even if no junior pilot remains on furlough, a pilot may decline recall and remain on furlough for the duration of any individual contract of employment, not to exceed twenty-four (24) months, to which he is a party at the time of his recall. The pilot shall provide the Company a copy of his contract of employment.
  - 7. A pilot's election to decline recall and remain on furlough in accordance with Section 22.B.4. or B.5. shall not exceed the period of ten (10) years referred to in Section 22.A.4. of this Agreement.
  - 8. A pilot who is recalled from furlough shall be guaranteed six (6) bid periods of employment as an active pilot, or in lieu thereof, six (6) bid periods worth of pay at ninety-five (95) TFP per four (4) week bid period.

#### C. INCENTIVE PLAN

The Company may, at its option, elect to avoid or mitigate a furlough by offering pilots or a specific group of pilots (using age or seniority, unless the Association consents to an alternate selection criteria) voluntary early retirement and/or severance packages. If made to a specific group of pilots, any offer shall be made on a uniform and non-discriminatory basis. The Company shall notify, meet and consult with the Association prior to making any offer pursuant to this paragraph.

**D. NON-FLYING EMPLOYMENT OPPORTUNITIES**

A pilot to whom a furlough notice has been issued may compete for available non-flying employment with the Company for which he is qualified for a period of ninety (90) days following the effective date of his furlough or until expiration of the period, if any, during which the pilot is entitled to receive furlough pay, whichever is later. If a pilot is offered and accepts non-flying employment, his pay, working conditions and benefits, including any relocation benefits, shall be determined by Company policies pertinent to that position.

**E. FURLOUGH PAY**

- Each time a pilot is furloughed, he shall receive furlough pay based on his longevity as a pilot, in accordance with the table below. The TFP rate of furlough pay shall be the rate applicable to the pilot's crew status on the day prior to the effective date of his furlough. For purposes of this paragraph, bid period compensation is deemed to be ninety-five (95) TFP and a bid period is deemed to be four (4) weeks. Furlough pay shall be paid to a pilot as provided in Section 4, commencing with the bid period immediately following a pilot's furlough.

<b>LONGEVITY AS PILOT FURLOUGH PAY</b>	<b>BID PERIODS</b>
Less than 1 year	0.0
1 year or more, but less than 3 years	1.0
3 years or more, but less than 4 years	1.5
4 years or more, but less than 5 years	2.0
5 years or more, but less than 6 years	2.5
6 years or more, but less than 7 years	3.0
7 years or more, but less than 10 years	3.5
10 years or more	4.5

- A furloughed pilot may elect to reduce the dollar amount of the payments of the furlough pay to which he is entitled by fifty percent (50%). In this event, the number of bid periods during which the pilot is entitled to receive furlough pay shall be doubled. Any election of this option shall be made prior to the effective date of furlough and may not be modified after the commencement of the furlough.

3. If a pilot receiving furlough pay is recalled, his furlough pay shall terminate on the date he resumes active employment. However, if the pilot has elected reduced payments in accordance with Section 22.E.2., he shall receive forty-seven and one-half (47.5) TFP of furlough pay per bid period, on a pro-rated basis, if applicable, for the period he was on furlough, not to exceed the maximum furlough pay to which the pilot is entitled pursuant to Section 22.E.1. of this Agreement.
4. If a furloughed pilot is on leave of absence on the effective date of furlough, his furlough pay, if any, shall be based on his scheduled or actual return from leave of absence, whichever is later. His furlough pay shall be reduced by a prorated amount for each day he was on leave of absence (or scheduled to be on leave of absence) after the effective date of the furlough.
5. If a furloughed pilot is offered and accepts non-flying employment with the Company, the total furlough pay to which the pilot is entitled shall be reduced by the compensation he received for his non-flying employment during the bid period(s) with respect to which the pilot is entitled to furlough pay, as provided in Section 22.E.1.
6. A furloughed pilot shall be issued a furlough identification card containing the pilot's name and date of furlough. The issuance of a furlough ID card shall not entitle furloughed pilots to benefits any greater than those specifically provided for such pilots under the terms of this Agreement.



## **SECTION 23: TRAINING AND UPGRADE**

### **A. COMMUNICATION**

The Company and Association shall hold meetings not less than annually, or more frequently if requested by the Company or the SWAPA President, to share data, statistics, and information related to training standards. Members of the SWAPA Training & Standards Committee may request to attend scheduled instructor meetings, and participation may be approved on a case-by-case basis at the discretion of the Director of Training. Establishment of training requirements and performance standards shall be specified in the appropriate Flight Operations Manual (FOM) and the current training manual and will be made readily available to pilots electronically. Any changes to the above referenced manuals and documents shall be provided to SWAPA's Contract Administration Committee and Training & Standards Committee.

### **B. TRAINING PHILOSOPHY**

It is recognized that pilots do not learn at the same rate. There may be disparities in the experience level and background of pilots entering the same training event. In all levels of training, maneuvers may be re-accomplished and training may be conducted as allowed.

### **C. REVIEW**

In an effort to re-qualify a pilot in an efficient manner after a pilot fails to successfully complete any portion of a ground, flight and/or simulator event, the Director of Training or his designee will:

1. Inform SWAPA as soon as possible of such a failure via an email to a designated SWAPA email address;
2. Inform the pilot that he may have a SWAPA representative present at the debrief. If the pilot elects to have a SWAPA representative at the debrief, the representative may be allowed to be present via conference call if he is unable to attend in person.
3. Ask the pilot if he feels the event was conducted in a fair and professional manner;
4. Debrief the pilot with the deficiencies of his event and discuss potential cause;
5. Discuss the planned re-training and the time line of such training; and
6. After such debrief, the pilot may request to meet with a member of Flight Operations and the Association when all parties are available.

#### D. TRAINING SCHEDULING

1. A pilot shall not be assigned to any training event excluding new hire training on the following days: Thanksgiving, Christmas Day, or New Year's Day except:
  - a. A pilot may be scheduled to deadhead to Training after 1500 local domicile time on Thanksgiving, Christmas or New Year's Day. The Company will make every attempt to avoid scheduling deadheads to training on these holidays. Pilots will not be scheduled to DH from training back to domicile on Thanksgiving, Christmas, or New Year's Day.
  - b. A pilot may be scheduled for training on the day before Thanksgiving Day, Christmas Eve, and New Years' Eve provided the event is scheduled to terminate in time for the pilot to return to his domicile after completion of training in the same day.
  - c. These restrictions may be waived at the pilot's discretion.
  - d. A pilot shall not be required to train or travel to or from training during his awarded vacation period(s).
- E. Casual observers are not permitted in a simulator during a training qualification event without the mutual agreement of all pilots receiving training. FAA Air Carrier Inspectors, Check Airmen, Instructors receiving training, Association representative (if requested by trainee), or other Company employees receiving required training are not considered "casual observers."
- F. A pilot returning from a leave may request an additional training period prior to an Evaluation Event at no pay. The Company will provide such training based on simulator and Instructor availability.

#### G. GENERAL

1. Pilot training will include ground training and, flight simulator training during recurrent, initial, upgrade training, transition, and any other training or qualifying required by FAA regulations, Company policy or provisions of this Agreement.
2. Airport and route qualification will be excluded from the provisions of this Section. If flown, they will be paid under Section 4, Compensation.
3. The Association President or his designee will be made aware of amendments to SWA flight operations training required by FAA or NTSB rulings and/or amendments to our current procedures that pertain to operating equipment. The Company will discuss the training issues with the Association President or his designee.

4. Any open Line Orientated Evaluation (LOE) event that is not covered by another trainee will be awarded through the open time system. Other training will be covered through the open time system if Training Scheduling is unable to cover with in-house instructors. An in-house instructor may be used for all events prior to JA for the simulator event. The Check-Airman or FAA official will be briefed that the replacement pilot is not being evaluated.
5. A pilot will be advised of any unsatisfactory report prepared on any phase of training, and upon request will be shown a copy of any training record-keeping forms, including comments, prepared on any phase of that training.
6. A pilot may inspect his electronic training file at any time during normal office hours and will be provided with a copy of material contained in such file upon request.
7. Events of exceptionally limited training will not take longer than ten (10) minutes to complete as referenced in Section 4.K.1.h.

#### H. DISTANCE LEARNING

1. The Company may offer Distance Learning that will be paid in accordance with course length parameters defined in Section 4.K.1.g.
2. General:
  - a. SWA Technology Support: All internet based training will be compatible with Southwest Airlines standard computer equipment that is specified on SWALife at the time the course is implemented and supported by Technology.
  - b. Courseware Production: SWA Flight Operations Training department will provide access to training on the Company designated mobile device. In the event that courseware cannot be made compatible with the Company designated software/browser on the Company designated mobile device, the Company will continue to ensure that the required internet training courseware will be compatible and useable on mainstream computer OS/Browsers, as necessary. Current examples of mainstream browsers are:
    - i. Internet Explorer (Win)
    - ii. Firefox (Win and Mac)
    - iii. Chrome (Win and Mac)
    - iv. Safari (Mac)

- c. Recognizing that technology advances, the Association, or its representatives, will meet with officials designated by the Company yearly, or more often if needed, to discuss current operating systems/browser compatibilities that the Training Department can create courseware to operate within.
  - d. The Association will be provided access to the training product at least fourteen (14) days prior to implementation, unless mutually agreed upon by the Company and the Association.
  - e. Once the product is electronically available on a secure website, the Company will provide a link with the understanding that only authorized Association personnel will preview the course. The link and/or product will not be shared outside of the Association.
  - f. If the Company is unable to facilitate training via pilot EFB, the Company will afford pilots the ability to schedule and complete training on computers in the pilot domiciles. A minimum of three (3) computers in each domicile will be provided to allow all three (3) pilots an opportunity to complete the internet based ground training in their domiciles simultaneously within the contractually agreed upon time limit.
  - g. The Company retains the right to manage and has full responsibility for training course content. However, once implemented, course content shall not be changed without prior notification to the Association. Length of course changes shall be provided to the Association in addition to course content changes.
3. The Company will use the following Notification and Disqualification Procedures:
- a. All Continuing Qualification Training (CQT) that is internet-based training must start on the first of the month. All non-CQT internet-based training may start on any day of the month provided that fourteen (14) days notification is given to the pilot.
  - b. The Company will send via the Crew Management System a system wide notification message to pilots that have not completed the training event informing the pilot of the training completion deadline. This notification will be done fifteen (15) days prior to the deadline. A list of pilots still pending training will be posted on SWALife. For CQT events, the Base Coordinators/Training Scheduling will notify pilots via CMS Message and advise the pilots that scheduled flying events may be pulled at no pay if the training is not complete by the 25<sup>th</sup> day of the last training month.

- c. A pilot who does not complete required training by the Company-posted deadlines will be considered Disqualified and removed from scheduled flying without pay until the training is successfully completed.
  - d. At his Chief Pilot's discretion, the pilot may be granted an extended period of time to complete the training if the pilot is not scheduled for any flying. If training is not complete forty-eight (48) hours prior to the beginning of a trip, Training Scheduling may pull the pairing at no pay.
  - e. The Company shall provide each pilot with a minimum of sixty (60) days to complete the non-recurrent internet-based training, except as provided below:
    - i. Distance Learning courses, if required for transitioning to a Near International Domicile or EBG, must be completed by the 25<sup>th</sup> of the month prior to entering the bid period in the new International Domicile or EBG; and
    - ii. The parties agree to establish completion timelines for DL courses if required for Near International or ETOPS training/currency prior to implementation.
  - f. The Company shall provide each pilot with a minimum of his training month, the month prior to the training month, and the grace month (month following training month) to complete CQT internet-based training.
4. Course Length Determination:
- SWA Training will determine course length.

#### I. TRANSPORTATION AND HOTEL ACCOMMODATIONS

- 1. A pilot will be entitled to make must ride reservations to and from Training. The reservation can be made from the domicile or Southwest commuter city. A pilot desiring must ride reservations may contact Southwest Reservations or his Base Coordinator with the specific flights he plans to use for travel to or from Training. Reservations can only be made if seats are available; therefore, a pilot is encouraged to make reservations as soon as the training results are posted. Without a reservation, the pilot reverts to a lower priority. If a pilot changes his reservation, it is his responsibility to cancel the previous reservation.
  - a. Training Scheduling will display the planned travel time (currently TRDH) to and from Training in the Crew Management System (CMS). Should a pilot desire to travel outside the times displayed in the CMS, the pilot should contact Training Scheduling or Crew Scheduling and verify the desired travel schedule is legal. If the change is legal, the CMS will be updated to reflect the planned travel time. If

a flight runs late, and the pilot arrives for Training or back in domicile outside the times listed in the TRDH, Training Scheduling or Crew Scheduling should be notified and the CMS will be updated.

2. The Company will make hotel reservations. If a pilot does not need a hotel accommodation, the pilot should contact Training Scheduling to cancel the reservation.
  - a. A pilot attending multi-day training in the domicile in which he is based will be provided a hotel room, if elected in his training preferences, for all nights subsequent to the first day of training while attending training.
3. The Company may, at its discretion, schedule a pilot on another air carrier (off line) to training. The pilot will be paid at the appropriate rate as if the pilot had flown on a Southwest scheduled route.
4. A pilot who accesses his own off line transportation will be reimbursed for normal ground transportation expenses to and/or from Dallas Fort Worth International (DFW) Airport and the Training Center or the assigned crew hotel, as appropriate, if local transportation is not otherwise provided. A pilot arriving and/or departing Love Field (DAL) will be provided suitable timely transportation between the Training Center and the Love Field terminal.
5. Should a pilot have a break in upgrade or transition training of forty-eight (48) hours or more, must ride deadheads to and from his domicile or commuter city will be provided. Deadheads are not paid during breaks in training unless the pilot is returned to the line to fly during this break. Must Ride deadheads will be scheduled in accordance with Section 23.I.1.
6. Upon request, a hotel room will be provided for unscheduled overnights in DAL or any other city to/from DAL caused by delays and cancellations. The pilot will be paid DPM for the additional day(s) if the pilot is not returned to his domicile.

#### J. SCHEDULING

1. All pilots will be removed from regular flying for the duration of their training period. Such training period will include any travel time necessary to place a pilot in position for this training and return to domicile after training has been completed.

For upgrade training, flying remaining on a pilot's line during breaks in training will be pulled with pay and the pilot's line will be blocked over those flying days pulled to ensure days free of duty during this time.

## 2. Training Duty Period:

- a. Classroom training will not exceed nine (9) hours duration in any twenty-four (24) hour calendar day. For classroom training this duty period may be extended to twelve (12) hours in order to deadhead to training or thirteen (13) hours to deadhead from training.
- b. Flight simulator training will not normally exceed four (4) hours per day, excluding brief and debrief, and total training periods will not normally exceed ten (10) hours in any twenty-four (24) hour calendar day. Briefing periods count towards the ten (10) hours.
- c. Deadhead to training which is not broken by an intervening crew rest per Section 23.J.3., below is considered as part of the normal ten (10) hour training duty period, except as extended under subsection 2.a. above.
- d. No pilot will be scheduled to begin more than one (1) simulator or flight training session in any calendar day. Nonrecurring ground training, not exceeding two (2) hours and nonrecurring simulator training not to exceed one (1) hour may be added to CQT Simulator Training events provided the training will not result in disqualification of a pilot.
  - i. No seat support pilot will be scheduled to be in the simulator for more than four (4) hours in a calendar day.
  - ii. Single events that require four (4) hours will be considered a single seat support Open Time event.
  - iii. Events that require two (2) hours of simulator time will be scheduled adjacent to each other to create one (1) contiguous four (4) hour period.
  - iv. In the event a four (4) hour period overlaps two (2) published simulator sessions, the report time will be adjusted accordingly.
  - v. Open Time seat support simulator events will be constructed as six (6) hour events with a release time two (2) hours later to accommodate unforeseen operational delays.
  - vi. A remark will be added to Open Time seat support simulator events to ensure clarity that DHR does not apply to simulator events.
- e. Deadhead time to return the pilot to domicile does not count toward the training duty day.

- f. The Company will not schedule a pilot for training, or a combination of training and flying, in excess of six (6) Southwest days without a Southwest day free from duty.

3. Crew Rest:

- a. Prior to any simulator training period, a pilot will be scheduled for a minimum of twelve (12) hours free of duty, except as provided in Section 23.J.3.c. below, and must receive a minimum of ten (10) hours free of duty. Prior to any classroom training, the pilot will be scheduled for a minimum of ten (10) hours free of duty. At the pilot's request, a pilot's rest may be reduced below ten (10) hours but in no case less than eight (8) hours to attend ground school.
  - b. After any training period, a pilot will be scheduled for a minimum of twelve (12) hours free of duty as follows:
    - i. Rest can begin immediately after training. Deadheads following rest to join a scheduled pairing are governed under Section 5.D.2.i.
- Or
- ii. Rest periods which follow deadheads will begin thirty (30) minutes after the pilot has been returned to domicile on a Company scheduled flight.
  - c. When a pilot is scheduled for multiple days of training, a minimum of ten (10) hours crew rest between training days will be provided.
  - d. The Company will make every attempt to avoid scheduling pilots for flight simulator training between the hours of 0030 and 0530 including any briefing or debriefing time. This time is DAL or Central Time and not the pilot's domicile time. The Association recognizes that during peak training times, the Company may require late training periods. However, under no circumstances will a pilot be scheduled in these time periods to accommodate contract training. Under no circumstances will LOE or other jeopardy events be scheduled between the hours of 0030 and 0530.
  - e. The Company may offer one (1) non-recurrent classroom training event (not to exceed eight (8) hours) at the domicile per year. A pilot may elect through preferences to take the training at any domicile in which it is offered. A pilot electing to train in a domicile different than his own waives all deadhead training pay for that event. A pilot may trade the training day with another pilot or with an open training slot within the same bid period no later than the third day of the month where the training event occurs. Hotel accommodations are not provided for single-day classroom training in the domicile when scheduled adjacent to an original pairing. Ground Training in the domicile is not covered under the

provisions of Quality of Life Recovery Days. Training will be paid the greater of training pay or TFP pulled.

- f. The Company will post on SWALife a list of available training dates for CQT when monthly bids are posted.
- g. A pilot will be allowed to block out (protect) up to four (4) consecutive days (Training Golden Days) in which no training or travel to training can be scheduled. The pilot must select the TGDO via the Crew Management System, in accordance with the contractual deadlines in Section 5.
- h. A pilot will be allowed to trade like training assignments, provided there is no additional cost to the Company, in TFP loss. If a pilot trades his simulator period for another simulator period that requires an additional overnight for training, the pilot will be given the first pilot's hotel room.
- i. By mutual consent the pilot and Training Scheduling can agree to modify the training scheduling criteria.

#### K. TRAINING PREFERENCES

A pilot will be allowed to designate training preferences for posted training events. The primary consideration in the pilot's preference will be the selection of Quality of Life or Maximum Pay. Training Scheduling will accommodate a pilot's designated preferences whenever possible, but must at all times meet the Quality of Life designation as defined in Section 23.K.1.a., below. The only preference the pilot is guaranteed is Quality of Life designation.

- 1. Quality of life is defined as a pilot receiving recovery days as defined below because of his assigned Recurrent Ground School and/or Recurrent Simulator Event(s) (e.g. CQT). A pilot with a Quality of Life preference may be scheduled on days off. Training Scheduling may recover the applicable number of recovery days directly adjacent to or over the same days of scheduled flying.
  - a. The recovery requirement for a Training Footprint, defined as the number of Recurrent Training days plus travel days, shall be as follows:
    - i. Three (3) recovery days for a three (3) to four (4) day Training Footprint.
    - ii. Four (4) recovery days for a five (5) day Training Footprint.
    - iii. Travel outside of the recovery days provided for in subsections i. and ii. above, will be paid at six and a half (6.5) TFP. The Company may choose to pull an additional recovery day instead of paying the six and a half (6.5) TFP.

- iv. If a pilot submits a preference for and is assigned any simulator period that causes an additional overnight for Recurrent Training, the pilot is not entitled to receive an additional recovery day or be paid six and a half (6.5) TFP for the overnight. Training Scheduling will provide a hotel room at no expense to the pilot upon request.
- v. In the event the number of Recurrent Training days increase, the number of recovery days shall be increased in equal number.
- b. Training Scheduling will pull the applicable number of recovery days from a pairing over or adjacent to the pilot's recurrent training event. Training Scheduling will pull scheduled flying from the pairing, either directly before or directly after, which provides the greatest amount of consecutive time off. Training Scheduling may break a pairing at any point to remove a pilot from or return the pilot to a pairing. A pilot will be scheduled to block-in to domicile by 1930 domicile time on all shows prior to 1100 domicile time. On shows after 1100 domicile time the pilot will be scheduled for return to domicile no later than the last scheduled arrival to that domicile.
- c. A pilot requesting Quality of Life may be assigned Recurrent Training on days of scheduled flying. Training Scheduling may break a pairing at any point to remove a pilot from or return the pilot to a pairing.
- d. TFP dropped for training are included in the calculation of a pilot's monthly CAP total and possible subordination of seniority for additional seniority based flying.
- e. A pilot may fly any voluntary event during the period he was removed from flying to fulfill a recovery requirement for Recurrent Training. A pilot may also be assigned (involuntarily) flying during the same period.
- f. Training recovery days may be pulled from lead out or lead in pairings in the month before or after the training month. If a pilot is awarded a line that overlaps training recovery days, the pilot will be required to fly his pairing and will be compensated for both the pairing he flies and the training pairing pull.
- g. Requalification training and non-Recurrent Training events are not covered by the Quality of Life preference. This includes non-Recurrent Training events scheduled in conjunction with Recurrent Training.
- h. If a pilot calls in sick for training and has been pulled from a pairing to fulfill his Quality of Life preference, the training will be rescheduled and the trip pull will revert to a Sick Leave pull. If the pilot was scheduled on days off the training will be rescheduled and no sick leave will be paid.

- i. If a pilot utilizes his Training Golden Days over scheduled flying, Training Scheduling may pull the pairing to fulfill Training Recovery days and schedule training adjacent to the Training Golden Day(s).
2. Maximum Pay: Training Scheduling may pull trips even though the Training Preference designation was Maximum Pay. Maximum pay is defined as a pilot requesting his Recurrent Ground School and/or Recurrent Simulator Training to be scheduled on days off. Only the Quality of Life designation is guaranteed.

#### L. UPGRADE

Based on projected flying, operational requirements and aircraft deliveries, the Company will upgrade First Officers to Captain within specific domiciles in accordance with domicile seniority.

1. A pilot may elect not to be Captain qualified. Upgrade to a Captain will be based on the pilot's vacancy bid. A First Officer who does not desire to be a Captain Qualified First Officer (CQFO) must select his preference in CMS by the close of the vacancy bid period.
2. Upgrading will consist of ground, simulator/flight training and operating experience which are required of pilots upgrading to Captain. A pilot who does not successfully complete any phase of simulator/flight training or operating experience:
  - a. Will be reassigned to First Officer for a minimum period of three (3) bid months. The First Officer will continue in the domicile most recently awarded until he successfully bids a new domicile. The Company will offer upgrade retraining after this period.
  - b. Will be given a second try at upgrade training. If he does not successfully complete any phase of simulator/flight training or operating experience on the second try, he may be terminated. If not terminated, he will be reassigned to First Officer for a minimum period of six (6) bid months. If the pilot is successful on the second try, he will bid according to his seniority for a Captain position or may be designated as a Lance Captain if he falls into the top three and two-tenths percent (3.2%) of First Officers in the domicile.
  - c. May be given subsequent upgrade attempts at the discretion of the System Chief Pilot or his designee on the Master Pilot Seniority List. If the pilot fails to successfully complete upgrade on a subsequent attempt, he may be terminated. If the pilot is successful on a subsequent attempt, he will bid according to his seniority for a Captain position.
3. Hotel rooms will be provided for Upgrade training from the day before the first training event, until the pilot returns to domicile after the last simulator or classroom training event.

#### Section 23: Training & Upgrade

4. Upgrade or Transition Training Following Return from a Leave of Absence
  - a. For any leave of absence less than ninety (90) days, there will be no restrictions on commencing upgrade.
  - b. For any leave of absence lasting ninety-one to one hundred and eighty (91-180) days, the Company may require the pilot to remain as a First Officer for up to three (3) bid months after returning from leave.
  - c. For any leave of absence lasting more than one hundred and eighty (180) days, the Company may require the pilot to remain as a First Officer for up to six (6) bid months after returning from leave.
  - d. Restrictions to upgrade in b. and c. above may be reduced provided there is mutual agreement between the pilot and the Company.

#### M. LANCE CAPTAIN

Designation and training of Lance Captains (LC) will be accomplished in accordance with the following procedures.

1. Each month the Company will designate three and two-tenths percent (3.2%) of the total First Officers in each domicile as LCs. Any fractional number will be rounded up to the next whole number. For example, 3.2% equates to 9.3 First Officers. That number, 9.3, will be rounded up to 10 LCs in that domicile. EBG pilots are eligible for the Lance Captain program and will be considered part of the combined domicile's LC count. The Company is not required to offer Lance Captain designations to greater than the first ten percent (10.0%) of the First Officer seniority list in each domicile, but in no case fewer than fifty (50), to fulfill the three and two-tenths percent (3.2%) Lance Captain requirement.
  - a. If meeting the required percentage requires designation of a pilot who is not captain qualified, the Company will have two (2) months from the date the final vacancy result is posted to qualify the designated pilot as Captain. If the Upgrade Training is not scheduled to be completed within two (2) months, all events will be paid at Captain's rate until the pilot is upgraded, trained, or falls out of the three and two-tenths percent (3.2%). If the pilot elects to pass upgrade the two month period will not be in effect until a new vacancy closes that requires upgrade.
  - b. The LC percentage may only be exceeded in the case of Captain displacement(s) or domicile First Officer reduction. However, in no circumstance may the percentage exceed a system wide five percent (5.0%).

- c. If a Lance Captain is bumped out of the 3.2% by a more senior First Officer requiring upgrade training, the Lance Captain will be allowed to keep the LC designation in excess of the 3.2% limit until the end of the bid period the more senior Pilot completes upgrade training. However, in no circumstance may the percentage exceed a domicile wide five percent (5.0%).
- d. The Company will designate the equivalent number of pilots to meet the three and two tenths percent (3.2%) requirement. For example, 3.2% may equate to twelve (12) LCs in that domicile, but the bottom LC in that domicile may be the #20 First Officer in that domicile because eight (8) First Officers have chosen not to upgrade to CQFO.
- e. If a Captain changes seat position voluntarily, he will be designated a LC if he falls within the designation criteria and locked in the First Officer seat position for four (4) bid periods. A Captain bidding into a LC status may displace a junior LC out of his designation.
- f. A Lance Captain will remain eligible for the LC program for twelve (12) consecutive bid periods from the pilot's initial Lance Captain designation regardless of whether he remains a designated Lance Captain during that period. At the completion of the 12 bid periods, if there is a Captain slot available at any domicile, the Lance must either be awarded Captain or lose his Lance Captain designation and is no longer eligible for the program. If in the bid period immediately following the 12th bid period, should there be no system wide Captain vacancies the Lance Captain can hold, the pilot will be allowed to retain the LC designation until such a Captain vacancy becomes available in any domicile. The 12 bid period clock will begin with the first full bid period after the ratification of this contract.

## 2. General

- a. First Officers are not required to Upgrade to Captain, or be designated as a LC. The pilot must inform the Company by submitting his preference via the CMS.
- b. In the case of the opening a new domicile under either system, the Company will schedule the completion of upgrade training for those pilots designated as LC in all domiciles based on the following schedule:
  - i. In month one, four (4) full calendar months following the date of the original vacancy bid award.
  - ii. In month two, three (3) full calendar months following the date of the original vacancy bid award.

- iii. In month three and beyond, two (2) full calendar months following the date of the original vacancy bid award as referenced in 2.a. above.
- c. Designated LCs are eligible to be awarded Captain or First Officer flying from any source.
- d. Designated LCs will be indicated on the domicile seniority list by an asterisk (\*). Once designated as a LC, if the pilot bids to another domicile that does not have a Captain vacancy or open Lance Captain position that their seniority will hold, the pilot will revert to First Officer.
- e. Starting from date of ratification and until the December 2017 Bid Period, the following transition rules will be in effect:
  - i. No Captain who voluntarily downgrades to FO will be eligible for a Lance Captain position.
  - ii. Beginning with the February 2017 Bid Period and for the subsequent nine (9) bid periods, all designated Lance Captains and Captain Qualified First Officers as of the date of ratification shall become ineligible for the Lance Captain program at a rate of two (2) per month per domicile per month in upgrade date order with the exception of MDW and ATL which are three (3) and one (1), respectively. If multiple pilots possess the same upgrade date, the more senior pilot will retain the additional eligibility time, if applicable.

#### N. CREW POSITION FOR TRAINING

A pilot will normally train in the seat in which he is qualified. A non-designated Captain Qualified First Officer may remain a Captain for training purposes, or request to change his position to a First Officer for training purposes.

##### 1. Non-designated Captain Qualified First Officers

- a. A Captain qualified First Officer without a LC designation may elect to change to a First Officer position and will train as a First Officer in accordance with the current training manual(s). This choice must be made by the 10<sup>th</sup> of the month, two (2) months prior to CQT due month via the CMS.
- b. For Example: A pilot is due CQT in March. His request to change to a First Officer must be submitted by January 10<sup>th</sup>.

- c. If a designated LC has elected to change to a non-designated First Officer and is awarded a designated LC or Captain position, the pilot will be required to complete training as a Captain in accordance with the FOTM.
- d. A non-designated Captain Qualified First Officer electing to continue training as a Captain will be provided, upon request, a paid training simulator event prior to a Captain CQT. Normal Quality of Life and Maximum Pay training preferences will apply. The pilot must submit his request by the 10<sup>th</sup> of the month, two (2) months prior to the CQT due month via the CMS.
- e. A pilot awarded a Captain position, or a pilot designated as a Lance Captain after previously being changed to a First Officer, will be trained in accordance with the current training manual. Training will be scheduled within two (2) bid periods, after the final vacancy results are posted.

O. ETOPS and NEAR INTERNATIONAL TRAINING/CURRENCY

1. The Company must schedule ETOPS and Near International training to be completed within two (2) bid periods following the date the final vacancy result is posted to qualify a pilot awarded the EBG or International Domicile(s). A pilot not scheduled for ETOPS or Near International training prior to the first bid period assigned to the EBG or International Domicile will bid for non-ETOPS or non-Near International lines in that same domicile. A pilot who is not scheduled to be trained within two (2) bid periods as described above will bid according to his vacancy award and will be paid in accordance with his line award regardless of any trips that are pulled as a result of the Company scheduling the completion of his training.
2. A pilot assigned to the EBG or International Domicile will be expected to maintain his ETOPS or International currency as outlined in the FOM or its equivalent. If a pilot is required to maintain currency or qualification through a Distance Learning training event, it will pay in accordance with Section 4.K.1.g.
3. An ETOPS qualified pilot outside of the EBG is responsible for maintaining his currency. If the currency training event is an online course of less than four (4) hours, the training will be at no pay. Should the currency event require something other than online training of less than four (4) hours, the parties will meet and discuss ETOPS currency for pilots outside of the EBG.

P. CAPTAIN UPGRADE CURRENCY

No pilot may attend Captain Upgrade training unless he has first served as a Southwest Airlines First Officer for twelve (12) months.



## **SECTION 24: SAFETY PROGRAMS AND AIRCRAFT DATA COLLECTION SYSTEMS**

SWAPA and Southwest agree that safety is of the utmost importance at Southwest Airlines. Both SWAPA and Southwest are committed to all aspects of Southwest's Safety Commitment Policy Statement which places safety at the forefront of Southwest's operational objectives. Southwest Airlines agrees that the Vice President of Flight Operations shall oversee and maintain full responsibility for all Flight Operations Safety Programs. The Vice President of Flight Operations delegates authority to manage all Flight Operations Safety Programs to the Senior Manager of Flight Operations Safety (or its equivalent) who shall report directly to the Vice President of Flight Operations.

### **A. SAFETY PROGRAMS**

To ensure a proactive reporting culture, the Company and the Association agree that no disciplinary action will be taken against any pilot for reporting a safety concern or hazard except in cases of willful noncompliance with or intentional disregard of regulations or Company procedures (except as allowed by Pilot in Command (PIC) emergency authority) or when a criminal act has been committed.

The Voluntary Aviation Safety Information (VASI) Program presently includes, among other things, the FDAP and ASAP programs.

#### **1. Flight Data Analysis Program (FDAP)**

FDAP is defined by the latest "FDAP Implementation and Operations Plan."

#### **2. Aviation Safety Action Partnership (ASAP) Program**

The ASAP program is defined by the latest signed "Memorandum of Understanding" between Southwest Airlines, the FAA, and SWAPA, and as amended in the future. No discipline will occur for a pilot who files an ASAP report that is excluded by the ERT where the Company only has knowledge of the incident due to the information contained in or discovered as a result of the pilot's self-disclosure.

#### **3. Line Safety Observation (LSO)**

As defined herein, an LSO is any line observation, and may be used for the purposes of collecting data to be deidentified and aggregated in order to evaluate systemic pilot, aircraft, route, or procedure performance.

LSOs will be operated in accordance with conditions and restrictions contained in the LOSA MOU between the Company and the Association dated November 20, 2014, and may be modified by agreement of the parties.

4. Fatigue Risk Management Plan (FRMP)

The FRMP program is defined by the latest Plan Revision Number 11-1 dated April 7, 2011, and as amended in the future.

5. The Company agrees to reimburse a portion of SWAPA's expenses directly related to participation in the Safety Programs contained in this Section. The funding amount shall be agreed upon prior to the annual SWAPA budgeting process, and shall be mutually agreed upon in writing. If the Company and Association cannot agree on a funding amount, the Company agrees to continue funding, with a reduction of no more than ten percent (10%) from the previously agreed amount, until a new agreement can be reached.

B. AIRCRAFT DATA COLLECTION SYSTEMS

Aircraft Data Collection Systems include the following:

1. Flight Data Recorder (FDR): Any device, equipment or system that transmits and/or records and/or collects data on subjects of pilot, aircraft, component, or aircraft performance.
2. Cockpit Voice Recorder (CVR): Any device, equipment, or system maintained on board an aircraft that monitors or records a pilot's voice while he is on the aircraft.
3. Aircraft Electronic Equipment: Any device, equipment, or system installed upon an aircraft which transmits and/or records (volatile or non-volatile) and/or collects data concerning pilots, aircraft, component, or aircraft performance, including but not limited to Aircraft Communications Addressing and Reporting System (ACARS), Aircraft Condition Monitoring System (ACMS), Controller Pilot Data Link Communications (CPDLC)/Automatic Dependent Surveillance Contract (ADS-C), DFDR, EFB, Electronic Log Book (ELB), FDR, CVR, HGS, EGPWS, FMS, Onboard Network Server (ONS) and OPC.
4. Electronic Information: Data generated by Aircraft Electronic Equipment and analyses derived from that equipment on the subject of pilot, aircraft component, or aircraft performance that is transmitted, recorded, or collected by the Company. The term "Electronic Information" shall further include tapes, transcripts, reports, papers, memos, statements, studies, charts, graphs or any other description, analysis or compilation of data from a cockpit voice recorder, flight data recorder or aircraft electronic equipment. Non-operational, direct verbal and ACARS text communications concerning a specific event between pilots and ground personnel are excluded from this definition.

5. Electronic Flight Bag (EFB): Company approved electronic device with applications that replace the material carried in the On Board Ship Set.
6. Ground Data Replay and Analysis System (GDRAS): A system that transforms flight-recorded data into a usable form, analyzes the data, detects events, and generates reports for review.
7. Onboard Network Server (ONS): Aircraft electronic equipment that provides access to airplane data such as the Electronic Log Book (ELB), is capable of integrating with the Electronic Flight Bag (EFB), Aircraft Health Management (AHM), Aircraft Condition Monitoring System (ACMS), and serves as a central access point for off-board communication.
8. Aircraft Health Management (AHM): The practice of using real-time aircraft mechanical anomaly and fault data combined with prognostic tools, to improve safety, reduce impact of unscheduled maintenance, and simplify operational recovery planning.

C. USE OF AIRCRAFT DATA COLLECTION SYSTEMS AND ELECTRONIC INFORMATION

As soon as possible, but not later than twenty-four (24) hours after, the Company will advise an authorized representative of the SWAPA Safety Committee that FDR or CVR data has been removed and/or downloaded from an aircraft for purposes other than routine aircraft engineering and systems monitoring or other expressly agreed upon program.

1. Electronic Information obtained from Aircraft Data Collection Systems defined above shall be considered privileged and confidential and shall not serve as a basis for discipline or termination of a pilot except in the following situations:
  - a. Electronic Information relating directly to a specific accident or incident which is required to be released to the FAA or NTSB; or
  - b. Electronic Information generated by Aircraft Electronic Equipment on Company aircraft that is received, recorded, or collected directly by ATC (Air Traffic Control), in conjunction with an official NTSB accident or incident investigation.
2. The Company will ensure that any employee who is able to authorize the removal, download and/or evaluation of recording devices, as defined above, has been made aware of the sensitivity and limitations of use associated with that data.
3. Unless otherwise required by law, the pilot(s) involved in the investigation and an authorized representative of the SWAPA Safety Committee, shall be given advance notice of a time and place for a review of the data/recordings within a reasonable time

frame. The Company shall provide a Flight Safety staff member with appropriate expertise to explain the meaning of recorded data.

4. Electronic Information as defined above shall not be used to evaluate or monitor the judgment or performance of an individual pilot or crew. That information, however, may be used for the purpose of evaluating or assessing operational needs and/or improving the Company's training program.
5. In the event that information from a flight data recorder is used in a Company training program, the names of the flight deck crew shall not be disclosed. NTSB transcripts may be made and recorded by personnel to reproduce the recording on tape or other multimedia device. The actual voices of the pilots involved shall never be used.
6. The Company shall only release Electronic Information to a government agency, or an individual or entity outside of the Company if required by law, or where the Company discloses Electronic Information for the sole purpose of evaluating aircraft engine or component performance, weather data, or other operational analysis. When releasing such information for evaluation by a third party, the Company must obtain written assurance from the third party that such information will not be released to any other party, except to the extent required by law. Information released to a third party shall be de-identified to the maximum extent possible. When reasonably possible, the Company will provide the Association notice prior to releasing such information or immediately thereafter.
7. Use of the Cockpit Voice Recorder tape is limited to accident investigations by the NTSB.

#### D. UTILIZATION OF NEW AIRCRAFT DATA COLLECTION SYSTEMS

Unless required by law, the Company will not install any video recording devices in the cockpit.

Should the Company be required to or decide to modify an existing instrument or device, or install a new type of instrument or device not previously utilized on Company aircraft or crew which is capable of collecting and/or reporting flight performance data of an aircraft or crew member, the Company shall coordinate with and receive input from the Association prior to installation. Such coordination between the Company and the Association is intended to be a meaningful, constructive two-way process in which the parties address the suitability of the proposed installation and any issues of pilot concern. This process will occur before the modification of an existing device or installation of a new device. It is the intent of this paragraph to require only one notification when an installation of such equipment is to be installed on more than one aircraft of a type. It is neither the intent nor the purpose of this paragraph to require notification for purposes of normal or emergency maintenance or flight test work on aircraft.

#### E. EMERGENCY PREPAREDNESS PLAN

In the event a Company aircraft is involved in an accident/incident/event to which Southwest's Go Team must respond, the pilots who comprise the Association's accident investigators or Go Team will be extended the privileges necessary to do their jobs. The Go Team aircraft(s) shall manifest the Go Team Kits of the Association as previously listed with the Aircraft Ground Movement Coordinator. A record of the kits, their number, and respective weights shall be maintained on file and utilized for all Go Team Aircraft movements. The Go Team Aircraft shall have a minimum of three (3) seats available for SWAPA Designated GO Team members. SWA shall provide permanent identification for SWAPA GO Team members designating them as official accident investigators, the intent of which is to ensure unencumbered entrance aboard the GO Team Aircraft.

#### F. OTHER SAFETY RELATED INVESTIGATIONS

1. Proficiency or line checks conducted pursuant to any Safety investigation are not considered disciplinary action.
2. If SWAPA and Southwest Airlines agree that a separate visible investigation is of great value to the pilots of Southwest Airlines, the Company will undertake such an investigation and mutually agreed upon findings will be published and disseminated to the pilot group.

#### G. SAFETY INVESTIGATIONS

All Safety Debriefs conducted by Operational Safety and Security are considered voluntary reporting, and as such, protected under the Southwest Airlines Safety and Security Commitment and Safety and Security Debrief Protocol.

In the event a Flight Operations debrief occurs, the Flight Operations representatives will make clear to the pilot before the debrief begins that:

1. The pilot is entitled to Association representation; and
2. This is a Company investigatory interview/meeting that may reasonably result in discipline.



## **SECTION 25: DUES, CHECK-OFF, AND UNION SECURITY**

### **A. UNION SECURITY**

1. **Membership:** – As a condition of continued employment with the Company, and in accordance with the provisions of the Railway Labor Act, as amended, each pilot covered by this Agreement will be required to become a member of the Association within sixty (60) days following initial employment under this Agreement.
2. **Agency Shop:** – As a condition of continued employment with the Company, and in accordance with the provisions of the Railway Labor Act, as amended, any pilot covered by this Agreement who voluntarily fails to acquire or maintain membership in the Association will be required, within sixty (60) days following initial employment, to pay to the Association a service charge set by the Association for the negotiation and administration of this Agreement and the representation of the pilot, in an amount uniformly required as a condition of acquiring and retaining membership.

### **B. CHECK-OFF**

1. **Dues:** – The Company will deduct from the monthly pay of each member pilot covered by this Agreement and remit to the Southwest Airlines Pilots' Association a monthly amount equal to the Association's regular and usual monthly dues, initiation fees and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership in the Association, provided such pilot voluntarily executes the Association Check-Off Form, and provided further that a copy of the duly executed check-off authorization has been furnished to the Company.
2. **Service Charge** – The Company shall deduct from the monthly pay of each non-member pilot covered by this Agreement an amount equal to the Association's monthly service charge, provided such pilot voluntarily executes the Association Check-Off Form prepared and furnished by the Association, and provided further that a copy of the duly executed check-off authorization has been furnished to the Company.
3. **Prior Authorizations** – All previous Association Check-Off Forms executed prior to the effective date of this Agreement will remain in effect. Upon request, the Company will receive a copy of such previously executed Check-Off Form(s).
4. **Revocation** – In accordance with the provisions of the Railway Labor Act, as amended, the Association Check-Off Form will be revocable in writing to the Association after the expiration of one (1) year from the date of signing or upon the termination date of this Agreement, whichever occurs sooner.

### C. DELINQUENCY

1. If any pilot of the Company covered by this Agreement becomes delinquent in the payment of dues, initiation fees, assessments (not including fines and penalties) or service charges, the Association will notify such pilot by CERTIFIED MAIL, RETURN RECEIPT REQUESTED, with a copy sent to the Vice President of Flight Operations, that the pilot is delinquent in the payment of such dues, initiation fees, assessments or service charges as specified herein and is subject to discharge as a pilot of the Company. Such letter will also notify the pilot that the required payment must be received within a period of fifteen (15) days or the pilot will be discharged.
2. If, upon the expiration of the fifteen (15) day period, the pilot still remains delinquent, the Association will verify in writing to the Vice President of Flight Operations, with a copy sent to the pilot that the pilot has failed to remit payment within the grace period allowed and is therefore to be discharged. The Company's Vice President of Flight Operations will hereupon take steps to discharge such pilot from the service of the Company.
3. Within seven (7) days of receipt of such notification, the Vice President of Flight Operations shall notify the pilot by Certified Mail, Return Receipt Requested, with a copy sent to the Association, of his immediate termination as a pilot for the Company.
4. A grievance by a pilot who is to be discharged as the result of an interpretation or application of the provisions of this Section will be subject to the following procedure:
  - a. A pilot who believes that the provisions of this Section have not been properly interpreted or applied as it pertains to the pilot may submit a request for review in writing within five (5) days from the date of notification by the Vice President of Flight Operations as provided in Section 25.C.3., above. The request must be submitted to the Vice President of Flight Operations or his designee, who will review the grievance and render his decision in writing no later than five (5) days following receipt of the grievance.
  - b. The Vice President of Flight Operations or his designee will forward his decision to the pilot, with a copy to the Association. Said decision will be final and binding on all interested parties unless appealed, as hereinafter provided.
  - c. If the decision is not satisfactory to either the pilot or the Association, the decision may be appealed within ten (10) days from the date of the decision directly before a System Board of Adjustment, sitting with a neutral arbitrator mutually acceptable to both parties. If a mutually agreed upon arbitrator cannot be selected within ten (10) days of the request for arbitration, an arbitrator will be selected pursuant to Section 17.B.3. of this Agreement. The dispute shall be heard no later than thirty (30) days following the submission of the dispute to the System Board

of Adjustment (subject to the availability of the arbitrator), and shall be decided no later than thirty (30) days following submission, unless the parties agree otherwise in writing.

5. During the period a grievance is being handled under the provisions of this Section, and until a final award by the Vice President of Flight Operations, his designee, or the neutral arbitrator, the pilot will not be discharged from the Company nor lose any seniority rights because of noncompliance with the terms and provisions of this Section. A decision will be deemed final when the time for appeal has expired.
  - a. A pilot discharged by the Company under the provisions of this Section will be deemed to have been "discharged for cause" within the meaning of the terms and provisions of this Agreement.
  - b. It is agreed that the Company will not be liable for any time or wage claim of any pilot discharged by the Company pursuant to a written order by any authorized Association representative under the terms of this Section.

#### D. PAYMENTS

1. The Company shall remit to the Association payment of all dues, initiation fees, assessments and service charges collected each month as soon as possible after the pay day on which the deduction was made. The Company remittance will be accompanied by a list of names, employee numbers, gross wages (less per diem) and amounts of deductions of the pilots for whom deductions have been made on that particular pay day.
2. Prior to March 1st each year, the Company will furnish the Association a roster of non-management pilots' earnings for the previous calendar year, for the purpose of aiding the Association in verifying members' annual dues. The names listed on the roster shall be limited to pilots who received earnings under the provisions of this Agreement during the previous calendar year. A pilot's earnings, as listed on the roster, will be the earnings (less per diem) reported on his W-2 form for Federal income tax purposes.
3. For purposes of this Section, Management Pilot is defined as any pilot on the Master Pilot Seniority List employed by the Company in an executive, managerial or supervisory capacity, including Domicile Chief Pilots and Assistant Chief Pilots, and determined by SWAPA to be an Executive Active Member as provided for in Article III, Section 3.B of the SWAPA Constitution and Bylaws.



## **SECTION 26: HOTEL STANDARDS**

### **A. CREW ACCOMMODATIONS BOARD**

1. A current list of alternate hotels for unscheduled overnights will be maintained by the Company and provided to the Association.
2. Single rooms for all pilot accommodations, including new hire training, will be provided by the Company.
3. A hotel room for unscheduled overnights in domicile that occur prior to termination of a scheduled pairing will be provided by the Company.
4. When a pilot, including a Reserve pilot, is scheduled for ground time which exceeds four (4) hours (including ground time caused by cancellations and reassignments), the Company will provide the pilot a hotel room close to the airport upon request. The room will be provided in domicile or out of domicile.
5. Crew Accommodations Board

- a. The Crew Accommodations Board (CAB) is a committee composed of SWA pilots and flight attendants. The CAB will recommend crewmember scheduled and unscheduled layover accommodations to the Company. If the Company selects a scheduled overnight hotel not on the CAB's recommended list, the Company will inform the CAB of the reason, in writing. The CAB will normally consider hotels that are branded hotels, affiliated with a national or international chain. If the Company elects to sign a contract for layovers at a non-nationally or internationally affiliated hotel, the SWAPA President will be notified prior to execution of the contract. Rules governing the CAB will be as described in the following language:

The Company recognizes an obligation to ensure safe, secure, convenient and restful accommodations for crewmembers, pilots and flight attendants, on overnights. Our goal is to provide the highest quality accommodations to our crewmembers at an affordable price to the Company.

- b. CAB Charter: The CAB is charged with the responsibility of screening crewmember hotels and negotiating said contracts for Southwest Airlines. The goal is to place our crewmembers in the highest quality accommodations for the most affordable cost to the Company. The CAB includes a partnership and joint effort between pilots, flight attendants and Company staff personnel that conduct hotel screening and research prior to reaching contracts with hotel properties throughout the SWA system. Final approval of both the hotel selection and negotiated contract rests with the Vice President of Flight Operations.

- c. The CAB Chair and Members share in a management function that represents the interests of both the Company and its crewmembers in the hotel contract screening and negotiation process. The CAB Chair and Members have a direct role in substantial corporate expenditures for crewmember accommodations. The CAB Chair and Members will often be privy to confidential schedule planning information, market variables and future operational plans prior to release of that information to the public or employees at large. As such, the CAB Chair and Members are expected to protect and maintain the confidentiality of sensitive financial and operational information at all times.
- d. CAB Chair: The CAB Chair will be a pilot and member of SWAPA in good standing selected by the Vice President of Flight Operations. The Chair will bid a flying line of time, but have all requisite trip pull for committee work pulled and paid solely by SWA. The Chair will strive to maintain a committee structure which functions as a balance of crewmembers' interests.
- e. CAB Pilot Members: Pilots on the CAB will be SWAPA members in good standing. Excluding the CAB Chair, no less than fifty percent (50%) of the CAB Members will be SWA pilots. These individuals are nominated by the President of SWAPA from a list of candidates prepared by the CAB Chair, and are subject to final approval by the Vice President of Flight Operations. Once selected, the Vice President of Flight Operations, after written notice to the President of SWAPA, may remove CAB Members from his/her position and duties. The CAB Chair will approve trip pull for CAB work. All expenses required for CAB work will be paid by SWA. These expenses include cost for hotels, car rentals, and meals during city selection trips, contract reviews and renewals, and routine committee duties.
- f. Training Expenses: The CAB Chair is responsible for the training of new CAB Members. The cost of this training is the responsibility of the Company.
- g. Semi-Annual CAB Meetings: The CAB will normally hold two (2) scheduled meetings per year. The members' trip pulls and expenses for these meetings are the Company's responsibility.
- h. Hotel Standards for International Overnight Accommodations

Southwest Airlines recognizes the unique challenges related to the security and safety of our overnighing crewmembers when selecting crew overnight accommodations in international destinations. For this reason, the following considerations will be emphasized in these locations and will be provided when reasonably possible.

- i. The Crew Accommodation Board will work in coordination with the SWA Security and Safety Division to identify hotels in the safest section of any locale. Where needed, consideration will be given to properties that provide their own security staff to supplement the local police and security services. If and when needed, SWA will provide security at its cost.
- ii. Any hotel selected will offer a full service restaurant on property, serving breakfast, lunch and dinner. The provided food service will offer a large enough breadth of options that any reasonable dietary needs will be met without the requirement to leave the property. An adequate volume of safe drinking water will be provided to each crewmember at no cost to the crewmember.
- iii. Transportation provided between the airport and hotel will meet all local licensing standards and be equivalent in safety and security to such services in the United States.
- iv. Complimentary high-speed internet access and computers will be provided (if available) for the full extent of each overnight in order for crews to conduct company business, accomplish bidding and communicate with family at home. If internet is not available, the hotel will provide a room with a computer and free internet.
- v. Room Standards:
  - a) All rooms will have a/c, bathrooms, hairdryers, and TV's.
  - b) Safes will be provided in all crew rooms.



## SECTION 27: DEFINITIONS

1. Acclimated: A pilot is considered acclimated to the theater where the pairing begins. Acclimated is defined in FAR 117.3 as a condition in which a flight crew member has been in a theater for seventy-two (72) hours or has been given at least thirty-six (36) consecutive hours free from duty in the new theater.
2. Add-On: Additional flying placed at the end of any duty period during an assigned pairing.
3. Aircraft Fleet or Company Fleet: The total number of Company-owned and leased aircraft, as reported on the US SEC Form 10-K, excluding any aircraft held in storage or in any special purpose trust(s) not in operational use with the Company.
4. Affiliate: Any subsidiary, parent, division, corporation or other entity that either owns or controls, or is owned and controlled by, the Company.
5. Airline Partnership: Flying performed by another carrier whereby the other carrier transports passengers and/or cargo pursuant to a code-share, distribution, interline, or any other agreement or arrangement whereby another carrier uses the Company's designator codes or operates aircraft with the Company's name, trade name, logo, trademarks or service marks thereon or otherwise holds out to the public that the Company or its affiliate is performing or is otherwise associated with the flying.
6. Assignment: Any event covered involuntarily.
7. Atlantic Region: An area from the easternmost shoreline of South America extending eastward to 70 degrees East Longitude.
8. Award: Any event covered voluntarily.
9. Bid Category: A pilot's bid category is defined by crew position, domicile and aircraft type.
10. Bid Period/Month: Begins with the first day of a calendar month and extends through the completion of that month.
11. Blank Line: A line of time having no flying or Reserve days assigned at the time of the first round bid. Following the first round bid awards, the blank lines will consist of Vacation Relief Lines, Reserve Lines and Mixed Lines, which will then be bid by those pilots who were awarded a blank line on the first bid.
12. Block Time: Begins when the aircraft leaves the blocks (gate) for the purposes of flight and continues until it blocks in (normally at the gate) at the completion of the flight.

13. Cancellation: Any scheduled flight which does not operate.
14. Cargo Agreement: An agreement between Southwest and another air carrier for the transport and transfer of cargo by and between carriers.
15. Codeshare Agreement: An agreement between Southwest and another air carrier to allow a flight operated by one carrier to bear the other carrier's individual designator code.
16. Conditional Re-award: Pairing or portions of pairings which have been removed to resolve illegalities and then re-awarded to the original pilot without utilizing the open time system.
17. Continuous Duty Overnight: Flying normally known or understood within the industry as Shortbacks or Standups, etc., will not be allowed during the term of this Agreement.
18. Control or Controlling Interest: A "Controlling Interest" or "Control" means that, by example, Entity A shall be deemed to "Control" Entity B if Entity A, whether directly or indirectly,
  - (1) owns securities that constitute, are exercisable for or are exchangeable into fifty percent (50%) or more of
    - (i) Entity B's outstanding common stock or
    - (ii) securities entitled to vote on the election of directors of Entity B; orotherwise owns fifty percent (50%) or more of the equity of Entity B; or
  - (2) maintains the power, right, or authority – by contract or otherwise – to direct, manage or direct the management of all, or substantially all, of Entity B's operations or provides all or substantially all of the controlling management personnel of Entity B; or
  - (3) maintains the power, right or authority to appoint or prevent the appointment of a majority of Entity B's Board of Directors or similar governing body; or
  - (4) maintains the power, right or authority to appoint a minority of Entity B's Board of Directors or similar governing body, if such minority maintains the power, right or authority to appoint or remove any of Entity B's executive officers or any committee of Entity B's Board of Directors or similar governing body, to approve a material part of Entity B's business or operating plans or to approve a substantial part of Entity B's debt or equity offerings.
19. Corporate Officers: Persons who hold at least a Vice President or equivalent position with Southwest Airlines.
20. Credited Service: The period of time beginning with the date of hire as a pilot including any and all training prior to initial line assignment and all continuous employment with the Company as a pilot thereafter. Such term includes any period

when a pilot is on sick leave, but does not include furloughs or unpaid leaves of absence in excess of thirty (30) days.

21. Crew Flows: Pairings which Planning develops from the aircraft flows submitted by Company Schedule Planning.
22. Crew Management System (CMS): Electronic system used to manage pilots' work rules and pay.
23. Crew Rest: Period of time during which the crew member is relieved of all duties as a crew member. Rest begins thirty (30) minutes after block in of the last flight in a duty period, or when released by Scheduling, whichever occurs later. Rest ends at the scheduled report time, or at the modified report time if assigned by Scheduling.
24. Daily Open Time (DOT): Additional flying made available for bid to cover unassigned pairings. This open time process closes at 0900, 1300, 1700 each day.
25. Day Off: Time free of duty from 0300 to 0259 local domicile time.
26. Destination: For the purposes of Airline Partnerships, a destination refers to a city that can be served by one or more airports. The PDEW counts for the city will be additive to reach seventy-five (75) PDEW.
27. Distribution Agreement: An agreement whereby the Company distributes another carrier's flights via the Company's website (southwest.com) or other usual means of sale.
28. Domestic: Destinations or flying located wholly within the 48 contiguous U.S. States. For the purposes of Airline Partnerships, Domestic refers to origins or destinations of the segment located within the 50 U.S. States and Puerto Rico.
29. Domestic Pairings: Pairings consisting of flight segments located wholly within the 48 contiguous U.S. States.
30. Domicile: A geographical location where a pilot is based that is designated by the Company.
31. Domicile Day: A period from 0300 to 0259 local domicile time in the domicile where the pairing originates.
32. Duty: Any task that a flight crew member performs as required by the certificate holder, including but not limited to flight duty period, flight duty, pre- and post-flight duties, administrative work, training, deadhead transportation, aircraft positioning on the ground, aircraft loading, and aircraft servicing. *Note: Items such as self-paced training that can be completed at the pilot's leisure are not considered duty.*

33. Duties to Cover (DTC): A measure used to determine the number of duty periods in open time to be covered associated with a day.
34. Duty Day/Period: Total time commencing at the required report time until thirty (30) minutes after the aircraft blocks in after the flight (or series of flights) or when released by Scheduling. Normal report time is one (1) hour prior to push in a domicile and thirty (30) minutes prior to push at all other stations. The Duty Day/Period does not relate to the calendar/Southwest day in that the day does not end or begin at 2400/0300.
35. Embedded ETOPS Reserve Pairing: A flying pairing with one (1) duty period designated as ETOPS Reserve days.
36. Embedded ETOPS Reserve: A pilot with a RAP embedded within a flying pairing intended to be served in the city designated within the pairing. Pilots will be scheduled from the designated city to cover flying as needed.
37. Enhanced Line Improvement Trip Trade (ELITT): The process by which a pilot trades flying on his line with open time flying.
38. ETOPS: Extended-range Twin-Engine Operations Standards.
39. ETOPS Duty Period: A duty period with at least one (1) ETOPS flight.
40. ETOPS Flight: A flight designated for ETOPS operations.
41. ETOPS Line: A line with at least one (1) ETOPS flight within the bid line.
42. ETOPS Pairing: A pairing with at least one ETOPS flight.
43. ETOPS Pilot: A pilot who is ETOPS qualified.
44. Far International: Destinations or flying not otherwise defined as Domestic or Near International flying.
45. Far International Pairing: A pairing consisting of at least one (1) Far International flight segment.
46. Flag of Convenience (FOC) Carrier: A carrier or affiliate of a carrier, including any individual asset thereof, registered under the laws of a country, which is not the home country of the carrier's owner, in order to avoid financial charges or restrictive regulations in the owner's country.

47. Flight Duty Period (FDP): A period that begins when a flight crew member is required to report for duty with the intention of conducting a flight, a series of flights, or positioning or ferrying flights, and ends when the aircraft is parked after the last flight and there is no intention for further aircraft movement by the same flight crew member. A flight duty period includes the duties performed by the flight crew member on behalf of the certificate holder that occur before a flight segment or between flight segments without a required intervening rest period. Examples of tasks that are part of the flight duty period include deadhead transportation, training conducted in an aircraft or flight simulator, and airport/standby Reserve, if the above tasks occur before a flight segment or between flight segments without an intervening required rest period.
48. Flight Operations Designated Holidays: New Year's Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
49. Flight Time: Total time from the moment the aircraft first moves for the purpose of flight until the moment it is parked after the completion of flight.
50. Hard Line: A first round bid line consisting of a monthly schedule of days with pairings and days free of duty.
51. Hourly Open Time (HOT): Additional flying that is made available for bid on an hourly basis to cover unassigned pairings. The first HOT closes no earlier than 1800 CST/CDT each day and continues through the completion of the next day's operation.
52. Inflight Diversion: Occurs when an aircraft lands at a different airport than the airport to which it was dispatched. The time of the occurrence is the time that the diverted flight originally blocked out.
53. Interline Agreement: An Airline Partnership between Southwest and another air carrier to schedule, connect, transfer and accommodate passengers (and their baggage) between carriers on itineraries that require multiple carriers.
54. International: Flying conducted outside the 48 contiguous U.S. States. For the purposes of Airline Partnerships, International refers to origins and destinations outside the 50 U.S. States and Puerto Rico.
55. Irregular Operations: Flights that do not operate in accordance with the published schedule because of circumstances such as weather problems, maintenance delays, cancellations, ATC delays, etc.
56. JA Event: Any assignment or reassignment which results in a duty period on a scheduled day off.

57. Junior Available (JA): The method in which, under certain circumstances, the Company may assign a pilot into a JA Event. This flying is paid at double time or full rigs, whichever is greater.
58. Lance Captain: A First Officer who is qualified as Captain, but does not hold a Captain's regular or blank line. Lance Captains will be designated by an asterisk (\*) on the domicile seniority list.
59. Last Resort Flying: Flight duty beginning at an out-station that is covered by use of the commuter list for the respective city as set forth in Section 5.P.3.
60. Lead In Pairing: Pairing that originates in the new bid period.
61. Lead Out Pairing: Pairing that begins in the current bid period and extends into the new bid period.
62. Management Pilots: Headquarters pilots in Management roles on the Master Seniority List and Domicile Chief and Assistant Chief Pilots.
63. Merger Transition Agreement: An agreement between SWAPA and the Company entered into during a merger or acquisition addressing the balance of flying between carriers prior to flight operations integration and other Collective Bargaining Agreement modifications addressing the transitional nature of the transaction.
64. Mixed Line: A blank line which consists of Reserve block(s), days of flight pairing(s) and days free of duty.
65. Monthly Open Time (MOT): Additional flying made available for bid to cover uncovered pairings for the next bid month. This bid will include all uncovered pairings which are known prior to the close of MOT.
66. Move-Up: A move-up is a reassignment which occurs anytime a pilot is reassigned to report prior to the originally scheduled report time. Original report is based on the pairing prior to any change. A move-up may occur during any duty period of a pairing.
67. Near International: Destinations or flying outside of the 50 U.S. States and Puerto Rico, and within the regions of North, Central and South America. "Regions of North, Central and South America" shall mean countries, territories and islands within North, Central and South America and the surrounding geographic areas.
68. Near International Domicile: A domicile where all pilots are trained and assigned to flights identified in the FOM (or its equivalent) as requiring Near International qualifications.

## Section 27: Definitions

69. Near International Pairings: Pairings consisting of at least (1) one Near International flight segment as defined in the Flight Operations Manual (or its equivalent) as requiring Near International qualifications.
70. Non-Revenue Flying: All flights which do not carry passengers or cargo for hire, such as new aircraft delivery, promotional flights, special event flights, functional check flights, and ferry flights associated with maintenance/functional check flights.
71. Non-Standard Trip: A flight that exceeds two hundred forty three (243) statute miles.
72. Open Time: Open time is made up of all uncovered pairings after all monthly line bids are closed.
73. Optimized Pairing: A pairing constructed from a combination of other smaller pairings or portions of pairings within the same domicile.
74. Pacific Region: A region from the western border of Canada extending westward to 70 degrees East Longitude excluding Alaska and Hawaii.
75. Pairing: A series of flights over one (1) or more days which are not interrupted by a required crew rest in the originating domicile. Such pairings are made available by the Company and intended to be flown by a single crew of pilots.
76. Paper Bid: A bid submitted when a pilot on extended sick leave does not intend to fly for that month and is bidding for pay purposes only. Pilots must declare their intention and preference prior to bid closing.
77. Passengers Daily Each Way (PDEW): Number of daily passengers each way between the origin and the destination. This is calculated from an average between Sabre Global Demand and PaxIS or other Association or Company vendors on a per day of offered service basis in the market research phase. Once service begins, the Company agrees to share all ticket data with SWAPA on these routes.
78. Premium Open Time (POT): The premium award process is part of DOT and HOT. These pairings are paid time and one half (1.5) or full rigs, whichever is greater, and are normally awarded the day before, or the day the pairing is scheduled to operate.
79. Reassignment: A reassignment is any change to a pilot's originally scheduled pairing. An inflight diversion constitutes a reassignment and is considered to have occurred when the diverted flight originally blocked out.
80. Red Eye Duty Period: Any duty period that contains Red Eye Flying.

81. Red Eye Flying: For the purposes of pay, any flight that is originally scheduled or operates between or across 0100 and 0400 of the pairing's domicile time. This excludes any charter. For operational purposes, any flight that is originally scheduled to operate across 0200 of the pairing's domicile time.
82. Red Eye Pairing: A pairing that contains any Red Eye duty periods.
83. Reserve Availability Period (RAP): The period of time when the Reserve must be available for notification and assignments. The RAP will commence at the conclusion of the Reserve Rest Period. RAPs apply to Reserve days without flying, or the first day of a Reserve pairing.
84. Reserve Call Out Order (RCO): The order Reserves are utilized in accordance with their RAP, days remaining in the block, personal preference, duty periods utilized in the bid period, and seniority.
85. Reserve Line: A first round line or blank line consisting of a schedule of days on Reserve and days free of duty.
86. Reserve – AM Reserve: Any Reserve block that consists of only RAPs that commence in the hours at or immediately following 0300 domicile time.
87. Reserve – PM Reserve: Any Reserve block that consists of only RAPs that conclude in the hours approaching 0259 domicile time.
88. Reserve Rest Period (RRP): Period of time free from any contact by and any requirement to contact the Company for Reserve duty.
89. Rest period: A continuous period determined prospectively during which the flight crew member is free from all restraint by the certificate holder, including freedom from present responsibility for work should the occasion arise.
90. Scheduled Sub Service: Flights operated by Southwest Airlines on behalf of a tour operator that sells a package product on scheduled flights. Scheduled Sub Service flights are only flown within the Southwest Network. These flights are known prior to the opening of monthly bidding and are constructed into the bid lines. Scheduled Sub Service excludes codeshare, group bookings and charter service.
91. Short Notice Open Time (SNOT): An open time process used to cover flying added to open time from three (3) hours and thirty (30) minutes until two (2) hours and one (1) minute to report. The award may be for straight time or premium, as described in Section 6.B.13.e.i and ii, and will be published for bid by Scheduling based on the availability of a Reserve. Awards will be made in random order, without regard to seniority, in accordance to Section 6.B.12.

## Section 27: Definitions

92. Southwest Day: A period from 0300 to 0259 Central Time.
93. Special Airport Qualification (SAQ): Unique qualification required for a designated airport as determined by the FAA or FOM.
94. Standard Trip: A flight that is less than or equal to two hundred forty three (243) statute miles.
95. State Owned Enterprise (SOE): A carrier that is fully owned or controlled or partially owned or controlled by a foreign government.
96. Theater: A geographical area in which the distance between the flight crew member's flight duty period departure point and arrival point differs by no more than 60 degrees longitude.
97. Trip For Pay (TFP): The unit of compensation received. A flight may pay one (1) or more TFP depending on point to point statute mileage or over schedule over ride computation.
98. Uncovered Flying: Consists of pairings removed from a pilot's line for a leave of absence (sick, military, company convenience, jury duty, etc.), training pulls, overlap pulls, vacation pulls, illegality pulls, pairings remaining after the close of ELITT, charters, maintenance check flights, and ferry flights to position an aircraft for service. Pairings may also be considered uncovered from irregular operations.
99. Voluntary Premium Flying (VPF): Voluntary flying done by pilots prior to the Company starting the JA process. These events are awarded on a first come first serve basis. Seniority does not apply. They are paid time and one half (1.5) or full rigs, whichever is greater.



## **SECTION 28: TERM OF AGREEMENT**

Subject to an implementation schedule to be agreed upon by the parties, this Agreement shall be effective from October 1, 2016 through August 31, 2020 and from year to year thereafter, subject to modification as provided herein. Either party may give written notice of its desire to modify the Agreement at least sixty (60) days prior to March 1 of each year beginning March 1, 2020.

**For Southwest Airlines Co.**

**For Southwest Airlines Pilots' Association**





## SIDE LETTER 1: ADMINISTRATIVE CORRECTIONS

Carl Kuwitzky  
Senior Director Labor Relations  
Southwest Airlines  
2702 Love Field Drive  
Dallas, TX 75235

Dear Carl:

In the past, Side Letters and Administrative Corrections were inserted as an addendum to the existing document.

CBA Section 1: ADMENDMENTS TO AGREEMENT, states:

*In an effort to keep pilots informed and contract language easily accessible and understandable, this Agreement will be maintained in an electronic format agreeable to both parties. That electronic contract will be called the Contract Master Electronic Version. It will be amended when a Side Letter is executed and will become the updated version and labeled as such.*

Further, pursuant to this section, the Company and the Association agree that the Master Electronic Version will address certain grammatical and typographical errors. Additionally, any formatting, reference, or other administrative errors will be addressed in the same manner as authorized by this side letter. These administrative corrections will in no way reflect material changes to the CBA.

### Correction List:

1. Section 2.N.4.e – EXPIRED/LOST/STOLEN PASSPORTS --- correct language on page 2-8 to read:

All Reserves may be required to carry a valid passport/visa. First Officers and Check Airmen Reserves are also required to carry a RR. Reserves who fail to carry the required documentation for a reserve assignment may be assigned a different reserve assignment if available. Should no other flying be available at the time Crew Scheduling is notified that the Reserve does not have a passport/visa/RR, the Company will continue the pilot on the Reserve Availability Period (RAP). Reserve assignments to accommodate passport, visa and RR issues may be made out of ~~RCO~~ **RCO** and RAP order.

2. Section 4.D.2.a. – First Officer Pay --- correct language on page 4-2 and 4-3 to read:

TFP from open time (MOT, DOT, **HOT**, POT, SNOT, VPF and JA) awarded to First Year First Officers that exceeds their original line total for the month will be paid Section 4: Compensation Page 4-3 at second year rates for the value (or partial value) of the TFP, plus any applicable JA premium associated with the open time. For purposes of this Section only, the original line total is defined as: the value of all flying and non-fly events on the line after the completion of the vacation overlap, month to month overlap and recurrent training adjustments, excluding any MOT, DOT, **HOT**, POT, SNOT, VPF, and JA carried in from the previous month. For example: the original line total is ninety (90) TFP. A pilot is awarded a POT pairing that pays thirteen (13.0) TFP (including premium/rigs) bringing his line total to one hundred and three (103) TFP. The pilot later gives away ten (10) TFP. At the end of the month, the pilot's line total is ninety three (93) TFP. The pilot would be paid ninety (90) TFP at first year rates and three (3) TFP at second year rates.

3. Section 4.K.2 – Training Pay --- correct language on page 4-10 to read:

A pilot scheduled for transition, or upgrade training, (classroom or simulator) will be paid for scheduled TFP lost from the pilot's line or DPM rate per training day, during the entire period that such pilot is removed from a bid line, whichever is greater. The pilot ~~may, at his discretion, drop will be pulled with for no pay, for any pairings~~ which he is scheduled to fly during breaks in training.

4. Section 4.BB. – ENGINE TEST RUNS/REPOSITIONS --- correct language on page 4-19 to read:

Refer to Section 5.D.2.k-a. of this Agreement for Scheduling rules related to additional ground duties.

5. Section 5.C.3. – Blank Line Pilot VA OV Election for 'Fly All' Preference Due – correct/add to timeline on page 5-4 to "20<sup>th</sup> at 1200"

20<sup>th</sup> at 1200

**Blank Line Pilot VA OV Election for "Fly All" Preference Due**

6. Section 8.E.6. – Reserve Rest, Availability and Duty--- correct last paragraph on page 8-9 to the reference Section 8.E.6.c.

- c. Upon request, an assigned Reserve scheduled to deadhead back to domicile on the last day of the reserve block may be released from the last deadhead in the duty period if the time on duty at the point of projected arrival time into the domicile exceeds nine (9) hours. The pilot may request the release only upon arrival into the station where the last deadhead in the duty period departs. The pilot will be released unless assigned additional flying from the domicile, reassigned at the outstation, or pilots are being asked to remain on their deadheads in accordance with Section 5.S.4.

7. Section 8.G.1. – Contact and Reporting --- correct language on page 8-11 to read:

A Reserve will not be required to be telephone available during any Reserve Rest Period (RRP) or while in rest during a Reserve assignment as required by the contract or the FAR's. A Reserve must maintain telephone/~~pager~~ availability once assigned a pairing until report time for that pairing except during his RRP. If a Reserve is contacted between the time a pairing is assigned and report time, Scheduling may change the assignment. After reporting for a pairing, a Reserve pilot's telephone/~~pager~~ availability and responsibility for contact is the same as a non Reserve pilot's availability and responsibility for contact on a pairing. A Reserve pilot may be reassigned in the same manner as a non Reserve pilot.

8. Changes pursuant to 10/23/2018 MOU. See attached.

This letter may be amended with additional corrections by mutual agreement of the Association and the Company. Amendments will be incorporated into the Master Electronic Version of the CBA.

If the foregoing reflects your understanding of our agreement, please execute below.

Implementation: Upon date of execution.

Captain Jon Weak  
President  
Southwest Airlines Pilots Association

Carl Kuwitzky  
Senior Director Labor Relations  
Southwest Airlines



## Memorandum of Understanding

Southwest Airlines Co. (SWA) and the Southwest Airlines Pilots Association (SWAPA) do hereby enter into the following understanding and agreement:

1. Section 4.K.3.c. is updated to include one-way domicile training deadhead pay from LAX-DAL of 4.0 TFP.

c. The one-way domicile training deadhead pay to DAL follows:

Domicile	Trips for Pay
HOU	1.1 TFP
PHX	2.8 TFP
MCO	3.1 TFP
MDW	2.6 TFP
OAK	4.6 TFP
BWI	3.7 TFP
LAS	3.3 TFP
ATL	2.5 TFP
DEN	2.2 TFP
LAX	4.0 TFP

2. Section 7.B.12 is updated to include ELITT opening time of 1330 LAX local time (1530 Central time).


### 12. ELITT Opening:


Pilots may begin ELITT trading on the 25<sup>th</sup> of the month for the next bid period. In November, should Thanksgiving fall on November 25, ELITT for December pairings will open on November 26. In December, ELITT for January pairings will open on December 26. Trading for each domicile shall begin as follows:

Domicile	Local Time	Central Time
BWI	1000	0900
MCO	1100	1000
ATL	1130	1030
MDW	1100	1100
DAL	1200	1200
DEN	1230	1330
HOU	1300	1300
PHX	1300*	1400
LAS	1300	1500
LAX	1330	1530
OAK	1400	1600

\*1200 when Dallas is on Daylight Savings Time\*

AGREED:

By:   
 Captain Alan Kasher  
 Vice President Flight Operations  
 Southwest Airlines Co.

By:   
 Captain Jon Weeks  
 President  
 Southwest Airlines Pilots Association

Date: 10-23-2018

Date: Sept. 27, 2018



**SIDE LETTER 2: MUST RIDE TRANSPORTATION**

June 26, 2019

Captain Jon Weaks  
President  
Southwest Airlines Pilots Association  
1450 Empire Central, STE 737  
Dallas, TX 75247

Dear Jon,



As you are aware, the Collective Bargaining Agreement (CBA) has four (4) references to positive space travel included. However, our new reservation system does not provide the option for “positive space” travel. In order to meet our contractual obligation in these instances, the Company agrees to modify all positive space travel references in the CBA to “must ride”. The proposed language change is noted below for each contract reference:

1. 2.B.3 - Authorized representatives of the Association will be provided with a reasonable number of ~~positive space~~ must ride passes upon request for the purpose of travel related to the transaction of business with Southwest Airlines.
2. 12.B.11 - A pilot who calls in sick while on-line will be offered a ~~positive space seat~~ must ride pass to his domicile or home on a Southwest flight. These deadheads do not need to be logged in Crew Management System and there is no duty day restriction for the pilot to deadhead home. Additionally, if the pilot is too sick to travel, they should be provided a room until such time that they feel okay to travel to his domicile or home.
3. 16.F.4 - The Company shall release from duty the grievant(s) and a reasonable number of witnesses and Association representative(s) for a Section 16.D. Hearing. Expenses and flight pay loss, if any, for line pilot witnesses called by any party, shall be borne by the party who called the witness. A pilot participating as a witness or representative in a Section 16.D. Hearing shall be issued an authorized must ride pass to prepare for and attend such hearing, and a ~~Positive Space Pass~~ must ride pass to return from such hearing.
4. 17.K.5 - Board members who are employees of the Company shall be granted necessary leaves of absence for performance of their duties as Board members. A pilot participating as a witness, representative, or Board member shall be issued an authorized must ride pass to prepare for and attend such hearing, and a ~~Positive Space Pass~~ must ride pass to return from such hearing.

Clarifications:

- The must ride for on-line sick calls will be booked in a manner that generates “pre-board” on the boarding pass. (same coding/comments used in PNRs as with training must-rides)
- Anytime a pilot needs to utilize the must ride contract provision to their domicile or home for a sick call on-line, crew scheduling will make the must ride reservation at the time when the pilot makes the request
- There cannot be a reservation made inside :11 minutes to push time (scheduled) and it can take as long as :15 for a manual reservation to be made.
- All references to a must ride “pass” refer to travel administered via electronic reservation; no paper passes shall be required

If you are in agreement with these changes, please affirm your agreement by signature below.

  
\_\_\_\_\_  
Carl Kuwitzky  
Senior Director Labor Relations  
Southwest Airlines  
\_\_\_\_\_  
Captain Jon Weaks  
President  
Southwest Airlines Pilots Association